

CITY OF HAYWARD

AGENDA REPORT

AGENDA DATE 06/03/03

AGENDA ITEM _____

WORK SESSION ITEM WS 2

TO: Mayor and City Council

FROM: Director of Community and Economic Development

SUBJECT: Housing Element Update

RECOMMENDATION:

It is recommended that the City Council review and comment on this report.

DISCUSSION:

After the City Council approved submittal of the Housing Element in July 2002, it was sent to the state's Housing and Community Development Department (HCD) for review. As a result of their review, HCD sent the City a letter outlining their concerns. There were four general areas about which HCD wanted more detailed information and greater specificity in the Housing Element:

- the inventory showing that Hayward has an adequate supply of land to meet ABAG's housing needs allocation;
- condition of the housing stock and units needing rehabilitation;
- governmental and non-governmental constraints to the production of housing, and
- strategies and programs in support of Housing Element policies.

A new section also needed to be added. Last year, State Housing Element law was amended to require that the Element discuss, as part of the government constraints analysis, potential and actual constraints upon the development, maintenance and improvement of housing for persons with disabilities and demonstrate local efforts to remove governmental constraints that hinder the locality from meeting the need for housing for persons with disabilities. Lastly, the Element had to include programs that remove constraints or provide reasonable accommodations for housing designed for persons with disabilities. This section has been added.

The updated Element has been revised to meet these concerns.

Land Inventory of Potential Sites

For HCD and the housing industry in general, an inventory of land to meet the Regional Housing Needs Determination is the single most important component of the Housing Element. HCD believes that Housing Element law requires jurisdictions to list every parcel included in the land inventory and, for each one, provide the zoning designation, number of acres, density range,

availability of services and infrastructure and dwelling unit capacity. Two inventories are required -- one for vacant land and one for sites that are available for redevelopment or recycling. If the jurisdiction has sufficient vacant land zoned for residential uses at appropriate densities, the inventory of sites that could be redeveloped is optional.

Based on HCD's comments, the Land Inventory has been revised. Staff reviewed the characteristics of each parcel using Win2Data (the real property information service utilized by the City to obtain parcel number, address, ownership and other relevant information). Staff has visually checked every parcel. Sites of one acre or more were selected for the land inventory because of their greater development potential. The primary purpose of the land inventory is to show that sufficient sites are available to meet the City's regional housing need by income level category, particularly the need for units for very low- and low-income households.

HCD equates income level categories with zoning designations; for example, sites with high density residential zoning are identified as sites that may be affordable to very low income households. In addition, sites must meet the HCD definition of "suitable for residential development." All sites in the inventory meet this definition. They are free from flooding, chemical contamination, other environmental constraints and slope instability; these sites have no greater seismic hazards than other residential properties in Hayward. The table below summarizes the findings in the Housing Element.

**HAYWARD'S ABILITY TO MEET
THE REGIONAL HOUSING NEED ALLOCATION, 1999-2006**

	Total	Very Low	Low	Moderate	Above Moderate
Total Units That Could Be Built In Planning Period	4,117	1,558	507	970	1,082
Regional Housing Need	2,835	625	344	834	1,032
Ability to Meet (Not Meet) Regional Housing Need	1,282	933	163	136	50

The table above shows that the City will be able to meet its projected housing needs for units affordable to moderate, low and very low income households through a combination of vacant land that is residentially-zoned, residentially-zoned sites within the Redevelopment Area, and projects that have been constructed since the beginning of the planning period. Land for units in excess of the Need Allocation for 1999-2006 will be available to meet future housing need allocations.

Governmental and Non-Governmental Constraints

Much more detail was added to this section. HCD wanted detailed descriptions of land use and zoning designations, permitted uses and set-backs; design guidelines and parking requirements. Greater detail was desired regarding the City's planning and building permit processes, processing timelines and fees, building codes and infrastructure. In general, the direction from HCD was to add to the Housing Element as much specific information from the Zoning Ordinance and other development handouts and guidelines as possible. This information is available in written form in other documents that can easily be obtained at the Permit Center by anyone interested in undertaking a residential development project.

In the Non-Governmental Constraints section, more information was added about the impacts of Hayward's physical environment on residential development.

Strategies And Programs In Support Of Housing Element Policies

Many of HCD's comments focused on making the strategies and programs more specific and measurable in regard to the City's role in program implementation. As much as possible, specific timeframes have been given for each program. As requested by HCD, a table of revenues and expenditures for the Low/Mod Fund has been added.

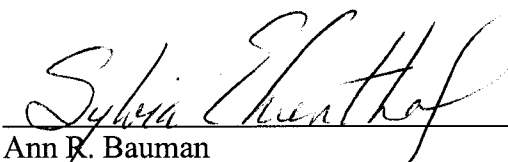
Update on State Legislation

Over the past several years, there have been many bills in the state legislature that have attempted to restrict cities' ability to apply development standards on or reduce the housing potential of residentially-designated parcels. Two bills, one of which has been enacted, are discussed below since they relate to the Housing Element and the City's Zoning Ordinance.

AB 1866 (Wright) was enacted last year. This bill makes the approval of second units a ministerial process -- without discretionary review or hearing -- after July 1, 2003. However, this bill does not impact a city's ability to apply development standards to those units. Second units, both attached and detached, are already allowed as subordinate uses to single-family dwellings in the RS zone in Hayward. Attached second units may contain no more than one bedroom, may not exceed 640 square feet in area, must conform to all required lot, yard, and height requirements, and do not require an additional covered parking space. Where one single-family dwelling already exists on a lot, one additional single-family dwelling may be constructed provided the minimum development standards can be met for each dwelling.

More troubling is a bill, AB 1160 (Steinberg), currently in the legislature, that has the potential to restrict a city's ability to place any limitations on the development of second unit housing. The current law requires cities and counties to allow the development of second housing units in single family and multifamily residential zones and allows localities to impose development standards on those units. These standards include parking, height, setback, lot coverage, architectural review, and maximum size of unit. If enacted, AB 1160 would significantly reduce the development standards cities are allowed to impose on second units and would appear to impose the unusual restriction of prohibiting any standard for approval that would make the development of a second unit "not financially feasible at market rents." On April 28, 2003, this bill was sent back to the Assembly Housing and Community Development Committee; subsequently, the committee hearing was postponed.

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for 
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Approved by:



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Attachment: Revised Housing Element

ATTACHMENT

REVISED HOUSING ELEMENT

5. HOUSING

The purpose of the Housing Element is to identify local housing issues within the broader regional context, determine associated housing needs, and set forth a housing strategy which will address those needs, consistent with adopted goals and policies. The Housing Element is a mandatory component of a jurisdiction's general plan, and upon certification by the Department of Housing and Community Development, will comply with state law.

This Element proposes a specific, short-range (January 1, 1999- June 30, 2006) housing strategy to meet identified housing needs and to achieve adopted goals and objectives. This strategy complements the more general, long-range implementation program contained in the General Plan. Consequently, the Element will need to be updated and revised where necessary at least every five years, as required by state law.

Legal Foundation of the Housing Element

California State Housing Element Law requires that local jurisdictions present community housing needs, barriers or constraints to meeting those needs, and actions proposed to address those needs over a five-year period. Additionally, in accordance with other State requirements, the Association of Bay Area Governments (ABAG) allocates a "fair share housing need" that the City must consider in the development of the Housing Element. The fair share need is an estimate of the number of new units that must be produced in the City to meet anticipated demand over a five-year period.

Specifically, California Housing Element Law is intended to:

- Assure that each locality recognizes its responsibility to contribute to the attainment of the State's housing goal.
- Assure that each locality will prepare and implement a housing element that, along with federal and state programs, will move toward attainment of the state housing goal.
- To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- To ensure that each locality cooperates with other government entities in order to address regional housing needs.

The Housing Element must identify and analyze existing and projected housing needs and present goals, policies, quantified objectives, financial resources, and specific programs for the preservation, improvement, and development of housing. Further, the Housing Element must identify adequate sites for housing, including rental housing, factory-built housing, and mobile

homes, and make adequate provision for the existing and projected needs of all economic segments of the community. The Housing Element must contain the information as described in the following sections:

Housing Needs and Housing Inventory

This is an assessment of housing needs and an inventory of resources and constraints that may impact meeting of those needs, including:

- Presentation and analysis of the demographic characteristics of the City of Hayward including, population and employment trends and existing and projected housing needs for all income levels;
- An analysis of household characteristics related to housing, including housing costs compared to ability to pay, overcrowding, and housing stock conditions;
- An inventory of land suitable for residential development, including vacant sites and sites with the potential to be redeveloped as residential uses;
- An analysis of actual and potential government policies and practices that may be constraints impacting the maintenance, improvement, or development of housing for all income levels;
- An analysis of potential and actual non-governmental constraints.
- An analysis of any special housing needs, including the needs of the handicapped, elderly, large families, farm workers, families with female heads of households, and families and persons in need of emergency shelter;
- An analysis of opportunities for energy conservation in residential developments; and
- An analysis of existing assisted housing developments that are eligible to change from low-income housing uses during the next 10 years due to termination of subsidy contracts, mortgage prepayment, or expiration of restrictions on use.

Housing Goals, Objectives and Policies

The City must provide a statement of the community's goals, quantified objectives, and policies relative to the maintenance, preservation, improvement, and development of housing.

Housing Program and Five-Year Implementation Plan

The law requires the City to provide a program that sets forth a five-year schedule of actions the City will undertake or intends to undertake to implement the policies and achieve the goals and objectives of the Housing Element. In order to make adequate provision for the housing needs of all economic segments of the community, the program shall do all of the following:

- Identify adequate sites which will be made available through appropriate zoning and development standards and with public services and facilities needed to facilitate and encourage the development of a variety of types of housing for all income levels;
- Assist in the development of adequate housing to meet the needs of low- and moderate-income households:
- Address and, where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing;
- Conserve and improve the condition of the existing affordable housing stock;
- Promote housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, or color;
- Preserve for lower income households the identified assisted housing developments.

Organization of the Housing Element

As all elements of the City's General Plan have been updated simultaneously, the Housing Element has been incorporated with the other elements in a single document. The Housing Element as contained in the General Plan consists of the following sections and appendices:

- Housing Needs
- Constraints on Housing Production
- Description of Housing Programs (Appendix I)
- Preservation of Affordable Housing Developments
- Residential Energy Conservation Guidelines (Appendix O)
- Public Participation and Review Process (Appendix P is available separately)
- Evaluation of Previous Housing Element Goals and Policies (Appendix Q is available separately)

Housing Needs

Historical Overview

In 1851, a frustrated gold miner named William Hayward opened a general store on (what is now) the corner of "A" and Main Streets. Located in southern Alameda County on the east shore of San Francisco Bay, Hayward was incorporated in 1876 and essentially remained a small town with an agrarian economy on the urban fringe of San Francisco and Oakland until the close of World War II.

Since that time, Hayward has undergone substantial changes. Between 1950 and 1960, Hayward's population increased over 400%. This population boom, created a demand for single-family detached housing. More than 70% (approximately 15,000 units) of Hayward's single-family detached homes were built between 1950 and 1960. From 1960 to 1990, only 3,411 units of single-family housing were developed. Between 1990 and 2000, approximately 2,930 units of single-family housing were developed -- only 500 less than the total amount of units developed in the preceding thirty years.

Prior to 1960, there were relatively few (approximately 1,400) multifamily housing units in Hayward. To accommodate the substantial population increase and minimize the costs to extend city water, storm drain and sewer throughout Hayward, developers began to focus on creating multifamily housing. Between 1960 and 1970 approximately 7,000 units of multifamily housing were built. In the next two decades, approximately 10,000 units of multifamily housing were developed. As a result of the post-war housing construction boom, Hayward was transformed into a suburban bedroom community.

During the late 1960s and 1970s, Hayward experienced a surge in industrial development that created numerous employment opportunities, balancing to some extent the housing that was developed earlier.

Hayward's character remains in transition as the City evolves from a suburban community to a more urbanized older city. The downtown core is undergoing revitalization as housing units and retail stores are added to create transit-oriented developments. Over 500 units have been built. Since 1997, approximately 300 more are either under construction or in the design phase. A Cannery Design Plan has been adopted to renew the old Hunt's Cannery area with mixed use, high density residential development including 786-962 units of new housing, a new school and community center. Approvals have been granted for up to 785 new units in the Hayward Hills and approximately 530 units south of State Route 92.

Hayward, today, is a city of approximately 140,000 people (2000 US Census). It is one of the oldest cities within the San Francisco-Oakland-San Jose area, a region with a population of almost 6 million people. Although Hayward is an employment center, substantial commuting occurs through Hayward and between Hayward and other major employment centers and outlying satellite communities. This is primarily due to the high cost of housing in the Bay Area; many people cannot afford to live in the type of housing they desire near their site of employment.

Prior to 1998, the sales prices of new homes in Hayward were less expensive than in most other cities in Alameda County. Prices of existing homes and rentals were also low compared to surrounding cities. According to the Bay East Association of Realtor's Multiple Listing Service data, over the two-year period from September 1998 to September 2000, the sales prices of single-family homes increased more than 53%. The one-year increase from September 1999 to September 2000 was greater than 24%. Recently, the housing market has softened due to the weakness in the Bay Area economy but home sales prices continue to increase in single digits. (BayEast Association of Realtors)

Socioeconomic Profile of the Planning Area

Population and Household Growth

Following Hayward's explosive growth during the 1950s when the population expanded by more than 400 percent (from 14,000 to over 72,000), the rate of increase slowed during the 1960's to 28 percent and nearly halted during the 1970s. Between 1980 and 1990, the City's population increased 11 percent, a growth rate that was only slightly lower than that experienced by Alameda County during that decade.

According to the U.S. Census Bureau, the City's total population was 140,030 as of April 1, 2000. This represents a 25% increase, or almost 29,000 people, over the 1990 Census population count of 111,498. There may be a number of reasons for this surprising increase:

- There may have been a significant undercount in the 1990 Census, particularly among immigrants who were least likely to fill out census forms;
- Approximately 3,000 people were added due to annexations;
- A number of adult children (and their children) may have returned to their parents' homes due to high rents and/or the desire to save for a down payment;
- Higher birth rates and/or increased family size characteristic of Hayward's primary ethnic groups and
- Close to 3,000 units of newly constructed housing in Hayward.

While approximately 140,000 people reside within the City limits, approximately 25,000 additional persons live in Hayward's Sphere of Influence (SOI) that includes the adjacent unincorporated areas of Fairview and Cherryland, as well as the unincorporated county area known as Mt. Eden which is surrounded by the existing City limits. The accompanying tables indicate growth trends over the past three decades for the City of Hayward and Alameda County, and also present current projections of total population, the number of households, and households population for the City of Hayward, Alameda County and the Bay Area.

Table 5.1: Population and Households: 1970-2000
City of Hayward and Alameda County

	1970	1980	1990	2000	Change 1970-80	Change 1980-90	Change 1990-00
HOUSEHOLDS							
Hayward	28,608	34,600	40,071	44,804	20.95%	15.81%	11.81%
Alameda County	379,766	427,327	480,079	523,366	12.52%	12.34%	9.02%
POPULATION							
Hayward	93,058	94,167	111,343	140,030	1.19%	18.24%	25.76%
Alameda County	1,073,183	1,105,379	1,279,182	1,443,741	3.00%	15.72%	12.86%

Source: U.S. Bureau of the Census for the years 1970, 1980, 1990 and 2000

One of the most interesting facts shown in this table is that the percentage population increase between 1990 and 2000 in population is more than twice the percentage increase in total households. This supports the 2000 Census findings, discussed later in this Chapter, that there has been a substantial increase in household size in Hayward.

Household Size and Composition

The U.S. Census defines:

- “households” as including all of the people who occupy a housing unit; and
- “families” as including a householder and one or more people living in the same household who are related to the householder by birth, marriage or adoption. All people in a household who are related to a householder are regarded as members of his or her family.

According to the definitions, a “family” household may contain people not related to the householder, but those people are not included as part of the householder’s family in Census tabulations. A household can contain only one family for purposes of Census tabulations. Not all households contain families, since a household may comprise a group of unrelated people or one person living alone.

Table 5.2: Comparison of Average Family and Household Size 1980-2000

Year	1980	1990	% Change 1980 -1990	2000	% Change 1990 - 2000
Family	3.17	3.25	2.52%	3.58	10.15%
Household	2.68	2.75	2.61%	3.08	12.00%

Source: U.S. Census 2000

Both the average household size and the average family size have increased significantly between 1990 and 2000. The average household size is always *smaller* than the average family size because the household count includes single individuals as households, where family size does not.

The following table shows more detailed changes in household size over a thirty year time span by depicting the percentage of various size households forming Hayward's population from 1970 to 2000.

Table 5.3: Percentage of Variously Size Households Over Time

	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6+ Persons	Total %
1970	12%	28%	18%	19%	13%	10%	100%
1980	22%	34%	17%	15%	8%	4%	100%
1990	23%	31%	16%	15%	8%	7%	100%
2000	21%	28%	17%	15%	9%	9%	100%

Source: 2000 US Census, City of Hayward Census Summaries 1990

As this table shows, in 1970, there were fewer one and two person households and more households of four or more persons than at any other time in the thirty year period. Households were considerably smaller by 1980 – almost as if large families had gone “out of style.” The percentage of families with five or more members increased by 2000 but not to the extent seen in the 1970s.

Average family size followed a similar pattern. When looking at average family size in Hayward census tracts, only one census tract, 4312, located primarily in unincorporated Alameda County, has an average family size of less than three persons. This census tract has a number of group homes and residential care facilities and a significantly older population than Hayward as a whole. The median age for Hayward is 31.9 years while the median age for census tract 4312 is 40 years old.

Five census tracts have an average family size of 4.0 or higher. Two of those census tracts, 4375 and 4377, are in the Harder-Tennyson neighborhood and have average family sizes of 4.09 and 4.13 respectively. This neighborhood contains highest percentage of multifamily housing in the city. The other three census tracts with high average family sizes consist primarily of residential neighborhoods with owner-occupied, single-family detached homes. One tract, 4367, has an

Housing

average family size of 4.0 persons and is located at the northern end of the Santa Clara neighborhood. Tract 4382.01 in Tennyson-Alquire and tract 4383 in the Glen Eden neighborhood have the largest average family sizes in Hayward, 4.21 and 4.26 respectively. Larger size families need larger size units with more bedrooms. To address this need, the City might want to encourage the development of three, four and five bedroom units and/or the expansion of existing housing units.

The table below shows that households of one, five, six and 7+ persons are relatively evenly divided between homeowners and tenants. Two, three, and four person households are more likely to be homeowners than tenants, since there are approximately 5,000 more owner households in these size categories than tenant households.

Table 5.4: Household Size and Tenure

Total Occupied	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7+ Persons	Total
Number Owner	6,045	9,454	5,279	5,020	2,807	1,487	1,490	31,582
Number Renter	6,352	6,924	4,658	3,967	2,328	1,217	1,252	26,698
Total Number	12,397	16,378	9,937	8,987	5,135	2,704	2,742	58,280
% of Total Number	21.27%	28.10%	17.05%	15.42%	8.81%	4.64%	4.70%	100.00%
% of Owner	19.14%	29.93%	16.72%	15.90%	8.89%	4.71%	4.72%	100.00%
% of Tenant	23.79%	25.93%	17.45%	14.86%	8.72%	4.56%	4.69%	100.00%

Source: 2000 US Census, City of Hayward Department of Community and Economic Development, September, 2001

Almost half (49.4%) of Hayward's households are composed of one or two persons. Interestingly, one person households are relatively evenly divided between owners and renters. This may indicate that the owner households are "over-housed;" i.e., their homes have a larger number of bedrooms than there are people living in the home. This might indicate that there is an opportunity to create a program to match extremely low income single adults with single, most likely, senior citizen homeowners who might like to rent out a room or part of their house in exchange for an additional income stream, household assistance and/or companionship. This data could also indicate that these units will be sold in the foreseeable future, generating an influx of younger and, perhaps, larger households in various neighborhoods.

Approximately one third (32.5%) of Hayward households are composed of three or four persons. More than 18.16% of all households are households of five or more. The following table shows the bedroom mix of ownership and rental units.

Table 5.5: Number of Bedrooms By Tenure

Tenure/ # Bedrooms	Households	Percentage
Total:	44,902	
Owner occupied:	23,955	100.0%
No bedroom	550	2.3%
1 bedroom	1,560	6.5%
2 bedrooms	5,651	23.6%

Tenure/ # Bedrooms	Households	Percentage
3 bedrooms	12,055	50.3%
4 bedrooms	3,359	14.0%
5 or more bedrooms	780	3.3%
Renter occupied:	20,947	100.0%
No bedroom	2,148	10.3%
1 bedroom	7,342	35.1%
2 bedrooms	8,195	39.1%
3 bedrooms	2,821	13.5%
4 bedrooms	373	1.8%
5 or more bedrooms	68	0.3%

2000 U.S. Census

Hayward's ownership housing stock appears to be a relatively good fit in terms of numbers of bedrooms and household size. However, Hayward's rental stock does not appear to be a good fit with household size. The table below shows the size households that customarily live in dwelling units having zero to four bedrooms.

Table 5.6: Household Size Bedroom Mix

Number of Bedrooms	Household Size
0	1
1	1-2
2	2-4
3	3-6
4	4-8

City of Hayward Mortgage Bond Program

When comparing household size to the bedroom mix of Hayward's rental stock, particularly for households and families with four persons or more, it can be seen that there is not a good fit. Approximately thirty-three percent of Hayward households have four or more members; however, only 15.6% of rental units have three bedrooms or more. This indicates that there is likely to be moderate to severe overcrowding in rental units.

Race and Ethnicity

The City of Hayward is becoming more diverse in its racial and ethnic composition and has become a community where no race or ethnicity is in the majority. The non-Hispanic white population decreased from 1980 to 1990 as the size of the City's other primary population groups -- Hispanic, Asian/Pacific Islander, and African-American increased. 2000 Census data on the composition of the general population shows a continuing trend of increasing diversity. This trend is supported by annual student enrollment data for the Hayward Unified School District.

The following table shows the percentage of change between 1990 and 2000 of the percent of each ethnic group in the total population

Table 5.7: Racial/Ethnic Diversity 1990 – 2000

	White	African American	Native American	Asian / Pacific Islander	Other	Hispanic
% 1990 Total	51.1%	9.4%	0.6%	14.7%	0.3%	23.9%
% 2000 Total	29.2%	10.6%	0.4%	20.5%	0.5%	34.2%
% Change	-42.9%	12.8%	-33.3%	39.5%	66.7%	43.1%
% Population	29%	10.6%	0.4%	20.5%	0.5%	34.2%

Sources: 1990 US Census, 2000 US Census

As depicted in the table above, the largest increases in population groups were among Hispanics, Asian/Pacific Islanders and African Americans among groups that comprise at least two percent of Hayward's population. Whites were the largest group to have a decrease in population.

The 2000 Census provides information on the country of origin as well. The countries of origin for the two groups with the largest increases in population are: Seventy-one percent of the Hispanic population is of Mexican ancestry. The next largest group, 23.9%, is labeled Other Hispanic – defined as people who checked Hispanic but did not originate in Mexico, Puerto Rico or Cuba. The ancestry of the Asian/Pacific Islander population is 48% Filipino, 15.5% Asian Indian, 15% Chinese, 10.4% Vietnamese and 11.6% other Asian.

As can be seen in the table below, Hispanics, Pacific Islanders and Others, who have had the largest increases population size, also have the largest household and family sizes. Over fifty-five percent of Hayward families have an average family size of 3.83 or greater; more than thirty-six percent of total families have an average family size of 4.31 or greater.

Table 5.7: Household Size, Family Size and Race/Ethnicity

Average	White	African American	Native American	Asian	Pacific Islander	Other	Hispanic
Household Size	2.31	2.70	3.46	3.51	4.11	4.47	4.15
Family Size	2.90	3.17	3.90	3.83	4.38	4.52	4.31
% of Population	29%	10.6%	0.4%	18.7%	1.8%	0.5%	34.2%

Source: 2000 Census

The following table looks at average household size by tenure by race/ethnicity. In every case tenant families are smaller than owner families, although the difference is quite small in most cases, except for Asian and Pacific Islander.

Table 5.8: Average Household Size by Tenure and Race/Ethnicity

Average	White	African American	Native American	Asian	Pacific Islander	Other	Hispanic
Owner	2.35	2.89	3.78	3.82	4.60	4.69	4.19
Renter	2.24	2.60	3.14	3.09	3.69	4.29	4.12
Average	2.31	2.70	3.46	3.51	4.11	4.47	4.15
% of Population	29%	10.6%	0.4%	18.7%	1.8%	0.5%	34.2%

Source: 2000 Census

Again, Hayward's ownership housing stock appears to be a relatively good fit in terms of numbers of bedrooms and household size, since 67.6% of units have three or more bedrooms. Additional ownership stock with five or more bedrooms would be a plus. However, Hispanic, Pacific Islander and Other households are likely to have moderate to severe overcrowding in Hayward's rental stock, due to limited number of units with three or more bedrooms.

Overall, the City of Hayward enjoys a rich blend of racial and ethnic diversity. Out of 35 census tracts, there are only six census tracts within City limits where one racial/ethnic group is more than 50% of the population. Two of those census tracts have a majority White population (54.3% and 65%); four have a majority Hispanic population (50.1%, 53.4%, 54.8%, and 60.6%).

Age of Population

Table 5.9: Change in Age Distribution 1980-2000

Age	1980	%	1990	%	2000	%	Numeric Change
0-4	6,848	7.3	8,990	8.1	11,011	7.9	2,021
5-9	6,077	6.5	7,985	7.2	11,215	8.0	3,230
10-14	6,549	6.9	6,873	6.2	9,737	7.0	2,864
15-19	8,504	9	6,873	6.2	9,542	6.8	2,669
20-24	10,386	11	9,584	8.6	11,209	8.0	1,625
25-34	17,290	18.4	22,916	20.4	24,552	17.5	1,636
35-44	10,206	10.8	16,888	15.1	22,179	15.8	5,291
45-54	10,421	11.1	10,333	9.3	16,652	11.9	6,319
55-64	9,513	10.1	9,146	8.2	9,706	6.9	560
65-74	5,265	5.6	7,319	6.6	7,326	5.2	7
75+	3,108	3.3	4,436	4.1	6,901	4.9	2,310
Total	94,167	100	111,343	100	140,030	100.0	28,532

Source: U.S. Census

As the table above shows, the age distribution of Hayward's population has been similar over time with a few exceptions – ages 15-19, ages 20-24, and ages 55-64.

Table 5.10: Percentage Change in Population by Age

Age	1980	% Change 1980-1990	1990	% Change 1990-2000	2000	% Change 1980-2000	Number Change 1990-2000
0-4	6,848	31%	8,990	22%	11,011	61%	2,021
5-9	6,077	31%	7,985	40%	11,215	85%	3,230
10-14	6,549	5%	6,873	42%	9,737	49%	2,864
15-19	8,504	-19%	6,873	39%	9,542	12%	2,669
Subtotal Youth	27,978	10%	30,721	35%	41,505	48%	10,784
20-24	10,386	-8%	9,584	17%	11,209	8%	1,625
25-34	17,290	33%	22,916	7%	24,552	42%	1,636
35-44	10,206	65%	16,888	31%	22,179	117%	5,291
45-54	10,421	-1%	10,333	61%	16,652	60%	6,319
55-64	9,513	-4%	9,146	6%	9,706	2%	560
65-74	5,265	39%	7,319	0%	7,326	39%	7
74+	3,108	43%	4,436	56%	6,901	122%	2,465
Total	94,167		111,343		140,030		39,471

Source: U.S. Census, City of Hayward Department of Community and Economic Development, 2001

The school age population (ages 5 to 19) has increased by approximately 40% (from 21,731 to 30,494 children) from 1990 to 2000, putting pressure on classrooms, teachers, and schools to accommodate the increase.

Between 1990 and 2000, the number of people between ages 65-74 increased by 7 people. One inference that can be drawn is that people of retirement age are leaving Hayward, since the number of men and women over age 65 has been increasing in the general population over the past ten years. This would seem to be confirmed by MetroScan® (County Assessor's database) information. Beginning in 1998, there was an increase in the average number of homes for sale in Hayward's older single-family neighborhoods that had been owned for at least twenty years.

The percentage of the population of working adults age 25 to 54 has remained about the same; however, the distribution differs from that in 1990. In 2000, the percentage of adults in the 25-34 age category was lower than in 1990, while the percentage in the 45-54 category was higher. One factor in the decline in the percentage of Hayward's population of young adults age 20-34 between 2000 and 1990 may be the high cost and lack of availability of housing for this age group. A factor in the percentage increase in ages 45-54 may also be high housing costs. Households need a relatively high income in order to afford to purchase a home in Hayward. The table below shows the tenure by age of households.

Table 5.11: Tenure by Age of Households

Tenure/Households	Total	15-24	25-34	35-44	45-54	55-64	65-74	75+
Owner-Occupied Units	31,582	282	3,737	7,605	7,158	4,881	4,070	3,849
Renter Occupied Units	26,698	2,414	8,262	6,916	4,569	2,006	1,112	1,419

Source: 2000 U.S. Census for the Hayward Sphere of Influence (includes areas of Alameda County)

Beginning at age 35, the number of homeowner households increases and the number of renter household decreases. Adults in the 35 - 54 age group generally have greater earning power than those who are younger. This appears to provide support for the hypothesis that high housing costs may be responsible for the decline in the 25 - 34 age group.

Income

According to the 2000 U.S. Census, in 1999, the median household income for the City of Hayward was \$51,177 and the median household income for Alameda County as a whole was \$55,946. The following table compares Hayward with nearby cities and Alameda County as a whole. As can be seen, Hayward residents have the lowest income per capita.

When compared with households in the Oakland PMSA (which consists of Contra Costa and Alameda Counties), approximately 48% of Hayward households were considered to be low income, according to the definition used by the U.S. Department of Housing and Urban Development. That is, they had incomes that were at or below 80% of the Oakland PMSA median income.

Although Hayward has gained a number of middle and upper income residents due to the construction of new single family homes, many developments were still in the process of construction when households were surveyed in 2000 for their incomes in 1999. Also, the increase in home prices came relatively late to Hayward. In 1999, there were still existing homes selling in the mid-\$200,000s that were affordable to, and attracted, moderate income households.

Because Hayward's household incomes were relatively low and household size was relatively large in comparison to other cities, Hayward's per capita income was the lowest among cities in Alameda County.

Table 5.12 Comparison of Income Information Among Cities in Alameda County

Income	Fremont	Hayward	Oakland	San Leandro	Union City	Alameda Co.
Median Household Income	\$76,576	\$51,177	\$40,055	\$51,081	\$71,926	\$55,946
Median Family Income	\$82,199	\$54,712	\$44,384	\$60,226	\$74,910	\$65,857
Per Capita Income (dollars)	\$31,411	\$19,695	\$21,936	\$23,895	\$22,890	\$26,680
Average Household Size	2.96	3.08	2.60	2.57	3.57	2.71

Income	Fremont	Hayward	Oakland	San Leandro	Union City	Alameda Co.
# Individuals in Poverty	10,915	13,805	76,489	3,673	4,340	156,804
Percentage %	5.4%	10%	19.4%	6.4%	6.5%	11%

Source: 2000 US Census

Of the cities shown, only Oakland and Alameda County have a larger percentage of people below the poverty level than Hayward. However, the magnitude of the County's poverty rate is most likely due, in part, to the high poverty level in Oakland since Oakland is about 28% of the County's population. The percentage of families below poverty level shows a similar pattern, as shown below.

Table 5.13: Comparison of Percentage of Families below Poverty Level

% Below Poverty Level	Fremont	Hayward	Oakland	San Leandro	Union City	Alameda Co.
Families	3.6	7.2	16.2	4.5	4.8	7.7
Families w/ Female Head of Household	10.6	15.4	29.5	10.7	8.9	19.8
Individuals	5.4	10.0	19.4	6.4	6.5	11.0

Source: 2000 US Census

What do we know about household income by race and ethnicity and how does this compare to household tenure by race and ethnicity? The following table shows median income and tenure (by number of households and percentages) for Hayward households by racial and ethnic groups.

Table 5.14: Median Household Income and Household Tenure by Race/Ethnicity

	Median Income 1999	Total Households	Home Owner	% of Total HH	Tenant	% of Total HH
White	\$50,380	18,245	11,589	64%	6,656	36%
African American	\$48,518	5,553	1,868	34%	3,685	66%
Native American	\$64,241	332	161	48%	171	52%
Asian	\$61,220	7,285	4,207	58%	3,078	42%
Pacific Islander	\$55,250	605	238	39%	367	61%
Other	\$51,833	1,677	453	27%	1,224	73%
Hispanic	\$50,841	11,107	5,195	47%	5,912	53%

Source: 2000 US Census

Hayward has transitioned into a diverse racial/ethnic population where no one racial or ethnic group is in the majority; however, home ownership trends often tend to lag population changes. Hayward's non-White population is significantly younger than the White population. In the current economic climate, younger households (of any racial/ethnic group) have relatively high barriers to homeownership including high sales prices, lack of down payment, credit problems, and/or high debt/income ratios.

Employment Trends

Location of Employment

Of the nearly 40,000 Hayward residents that work in Alameda County, the 2000 Census reported that almost half work in the City of Hayward and another 31.30% work in cities within ten miles of Hayward.

Table 5.15: Location of Employment For Hayward Residents

Location of Employment	% of Residents
Hayward	43.20%
Oakland	14.00%
San Leandro	9.00%
Fremont	8.30%
Other Bay Area Cities	22.20%

Source: Metropolitan Transportation Commission (MTC) 2000

Projected Change in Job Demand 2000-2020

ABAG's most recent forecasts of employment, Projections 2002, has been published. The projected change in job demand over the twenty year period was not large. The economic stagnation in the Bay Area's economy has been worse than anticipated in Projections 2000. Therefore, it is likely that the job market will not begin to recover until 2006 and that some elements, e.g., computer manufacturing, may never recover. This would push out the time horizon for the predictions described below.

According to ABAG, beyond the next few years, the rate of job growth is expected to increase steadily by 2010, and then remain relatively stable through 2020. Projections for the Hayward area generally reflect trends and expectations for the region as a whole. Assumptions regarding the supply and availability of land are consistent with local information and policies of the General Plan.

The table that follows shows the projected increment in job demand for the Bay Area, Alameda County and the City of Hayward. The total job gain for the 20-year horizon period for the Bay Area is almost one million new jobs. The largest Bay Area growth sector is anticipated to be in the Services sector, with over 52% of the total job growth. It should be noted that the Services category includes business services, which encompass computer software firms, internet service providers, and related high technology services. Computer hardware manufacturing is included in the Manufacturing sector. The three remaining sectors are Manufacturing/Wholesale (19 percent), Retail (11 percent), and Other (19 percent). In terms of growth at the county level, Alameda County is expected to capture 23 percent of the total Bay Area growth with nearly 220,000 new jobs. In the Manufacturing/Wholesale sector, County growth will comprise about 22 percent of the total growth within the Bay Area. The County Service sector growth represents 21 percent of Bay Area growth. This sector represents the largest amount of net new jobs, almost 110,000. Overall, Hayward should account for 8 percent of the total job growth within Alameda County with almost 22,000 new jobs to be created by the year 2020.

Only Fremont (33,800 jobs) and Oakland (29,450 jobs) are projected to have more manufacturing jobs than Hayward. Dividing the number of projected manufacturing jobs by population illustrates that Hayward continues to have significantly more manufacturing jobs per capita than any other city in Alameda County. Manufacturing jobs tend to pay moderate to middle income wages and provide associated benefits. As manufacturing becomes increasingly computerized, in addition to a high school diploma some college courses will be required.

Table 5.16: Change in Job Demand: 2000-2020

(Note: All values are in addition to existing jobs)

Sector	Bay Area	Alameda County	% of Bay Area Job Growth	Hayward	% of County Job Growth
Manufacturing/Wholesale	186,660	40,740	22%	5,220	13%
Retail	105,820	23,000	22%	650	3%
Services	521,400	109,980	21%	13,950	13%
Other	186,710	46,010	25%	2,040	4%
Totals	1,000,590	219,730	23%	21,860	8%

Source: ABAG Projections 2000

Oakland (22,970 jobs) and Fremont (16,100 jobs) are projected to have more retail jobs than Hayward. Berkeley is close behind Hayward with 13,840 retail jobs. Most retail jobs are relatively low paying and many do not have health or retirement benefits. Many of these jobs are open to high school graduates.

Service jobs include the following: personal, business, repair, motion pictures, amusement, and recreational, health, educational, legal, social, engineering, accounting, research and management, as well as services provided by hotels and other lodging places. In the service sector, Oakland has significantly more jobs (83,340) than the next highest city, Berkeley, with

Housing

46,660 jobs. Hayward follows with 31,710 jobs and Fremont follows with 29,800 service jobs. Since service jobs include the widest range of occupations, wages and benefits vary greatly as does entry-level access for those with high school degrees and/or some college.

Hayward Employment Trends

According to ABAG, total employment in Hayward was 90,080 in 2000, with 43,696 (48%) of these jobs located in the Industrial Corridor. Total employment in the city increased 18% over the 76,440 jobs in 1990, while employment in the Industrial Corridor increased 32% above the 33,041 jobs in 1990. The Industrial Corridor accounted for 43% of the total employment in 1990. Employment was relatively stable in the early 1990's, even while significant job losses were occurring elsewhere in the Bay Area due to military base closures and the California recession, because of Hayward's diversified industrial base. Employment growth during the latter part of the decade can be attributed to the economic resurgence at the regional, state and national levels. According to ABAG, over the next twenty years, employment in the Hayward area is expected to increase by almost 22,000 (24%), with an increase of 12,673 jobs (29%) anticipated in industries that would be located in the Industrial Corridor. If these forecasts are realized, the Industrial Corridor would account for 58% of the growth in jobs throughout the City, increasing its share of total employment within the city to 50%.

As of August 2001, preliminary Employment Development Department (EDD) data show that the unemployment rate in Hayward was 5.1% - which was slightly higher than other East Bay cities with the exception of Oakland (7.9%). A number of neighboring cities have more technology-oriented employers than Hayward.

Labor force and industry employment data are available by Metropolitan Statistical Area (MSA). The table below shows changes by industrial sector, from August 2000 to August 2001. Large declines in federal government and Defense Department employment indicate that base closures continued to have an impact on employment in the MSA.

Table 5.17: Changes by Industrial Sector, August 2000-2001

Industry	% Change August 2000 to August 2001
Manufacturing Instruments and Related	-16.7%
Federal Government	-14.7%
Department of Defense	-22.2%
Transportation Equipment for Aircraft	+20%
Instruments and Related Equipment, Measuring	+7.3%

Source: EDD 2001

Update on the Economy

New, more accurate information has become available about the enormous number of jobs lost in the Bay Area between 2000 and 2002. Approximately 250,000 jobs were lost, many in higher wage categories such as manufacturing. Approximately 150,000 jobs were lost in the San Jose/Silicon Valley area and approximately 92,000 jobs were lost in the San Francisco area, far more than was originally thought by state officials. The unemployment rate in Alameda County was 6.2% in March 2003; 6.8% in San Francisco and 8.4% in Santa Clara County. (calmis.ca.gov, April 2003 California EDD)

Between March 2002 and March 2003, total employment in the Oakland MSA increased by 3,200 jobs (up 0.3%). Educational and health services, leisure and hospitality increased. Losses continued in key industries tied to the Bay Area high-tech downturn. Manufacturing shrunk by 3,500 jobs with declines in durable goods related to high-tech equipment and machinery. Professional and business services dropped by 3,200 jobs with the downturn centered in professional, scientific and technical services. Trade, transportation and utilities declined by 2,700 jobs, mostly from continued losses in wholesale trade. Information industries lost 2,600 jobs, primarily in telecommunications. This pattern has become a common one throughout the Bay Area. Where job growth occurs, it is primarily lower wage jobs that are growing. Higher wage jobs with benefits, continue to disappear. (calmis.ca.gov)

More recently, there appears to have been a significant drop in consumer spending during the January – March 2003 quarter. It remains to be seen what the full impact will be on the Bay Area economy; however, this indicates that there will most likely continue to be job losses as consumers reign in spending. Already local governments are projecting lay-offs and frozen positions as a result of the soft economy and the State's budget deficit.

In addition, the U.S. Census Bureau released statistics on April 17, 2003, showing that Santa Clara, San Francisco and Alameda Counties **lost** population between 2001 and 2002. The California Department of Finance (DOF), however, released statistics showing that there had been a little growth in these counties. Apparently, this is due to the different sets of data that these agencies rely on to compile these statistics. (San Francisco Chronicle April 17, 2003) According to the DOF, Alameda County's population increased by 1.6%. The following table shows population gains for selected cities in Alameda County.

Table 5.18: Population Changes 2001- 2002 in Selected Cities

City	% Change
Dublin	4.9
Hayward	1.5
Livermore	2.7
Oakland	1.3
Pleasanton	1.7
San Leandro	1.4
Union City	3.4

California Department of Finance 2003

Regardless of which statistics are used – Census Bureau or DOF, it seems clear that population projections for the Bay Area, developed during 1999-2000, have most likely overstated the amount of population growth that will take place between 1999 and 2006.

Regional Housing Needs Determination/Housing Development Potential

As of December 31, 2000 there were 1,746 units in approved or pending projects for which building permits had not yet been issued. Additional development potential (not yet in the planning process) has been estimated at approximately 3,500 housing units -- for a total housing potential of approximately 5,246 housing units that may be developed by 2025.

The Regional Housing Needs Determination (RHND) for Hayward through 2006 is shown below. Appendix H presents the RHND for Alameda County and the cities within the county for comparison.

Table 5.19: Regional Housing Needs Determination: 1999-2006

	Total Projected Unit Need	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Average Annual Need 1999-2006
Hayward	2,835	625	344	834	1,032	378
5-Year Average Annual Need	567	125	69	169	206	N/A

Source: Association of Bay Area Governments

A comparison of the ABAG RHND with Hayward's total housing potential shows that sufficient housing potential remains in Hayward and its Sphere of Influence (SOI) to accommodate the RHND. There have been 762 units built since January 1, 1999, reducing Hayward's total unit need to 2,073 units. Therefore, the average annual need is now 515 units. All of the newly built units have been priced at a level affordable to moderate and above moderate-income purchasers. Appendix E presents a table that shows housing potential by census tract.

The Environmental Impact Report (EIR) for the Metropolitan Transportation Commission (MTC) Regional Transportation Plan looks at the current and projected Jobs/Housing Balance by MTC Superdistricts. According to the MTC, the Hayward-San Leandro Superdistrict has the best jobs/housing balance (1.04 jobs per unit of housing) of any district in Alameda County and the best projected jobs/housing balance in the Bay Area with the exception of central San Jose, Redwood City/Menlo Park and San Francisco's Mission District.

In 2000, ABAG changed the methodology and RHND allocations for this Housing Element update. The revised methodology shifted the housing allocation responsibility towards job producing areas and gave cities the responsibility for 75% of the future housing growth outside City boundaries within their SOI.

Hayward's SOI includes the adjacent unincorporated county areas of Mt. Eden, Cherryland and Fairview. However, it does not include the adjacent unincorporated county areas of San Lorenzo and Castro Valley which are primarily residential, contiguous with Hayward's borders, some areas have a Hayward post office address and all are as part of the Hayward housing market area. As the major employment center in mid-County, Hayward provides jobs for residents of those areas. If the contiguous, adjacent areas of San Lorenzo and Castro Valley were included in the determination of Hayward's jobs/housing balance, the number of units required to be built in the 1999-2006 period would most likely be significantly reduced. Using ABAG Projections 2002, if data from Castro Valley alone were added to Hayward's jobs and housing units, Hayward would have a 1.00 ratio for the year 2000, 1.01 for 2005, and 1.01 for 2010 which would greatly reduce the amount regional housing need allocated to Hayward. If the jobs and housing units allocated to San Lorenzo and Castro Valley were added to Hayward's jobs and housing units, then Hayward's jobs/housing balance would have a 0.94 ratio for the year 2000; a 0.95 ratio for the year 2005 and a 0.95 for the year 2010.

Housing Units

There were a total of 45,903 housing units in Hayward as of December 31, 2000. The following chart presents an estimate of the total number of housing units in Hayward based on a combination of 1990 Census data, new units built, demolitions and annexations.

Table 5.20: Housing Units

Existing Units 1990	New Units 1990 – 2000	Annexations 1990 – 2000	Demolitions 1990 – 2000	Net Housing Change	Total Units 12/31/2000
42,215	2,949	906	148	3,688	45,903

Source: City of Hayward, Planning Division, 2000

Type and Tenure of Housing Units

The 2000 Census lists a total of 45,922 housing units for Hayward with a 1% vacancy rate for owner-occupied housing and a 3% vacancy rate in rental housing. Occupied housing units totaled 44,804. Of the 45,922 total units, statistics gathered from Metroscan show that there are approximately 19,821 rental units (43% of the total). These include approximately 15,440 multifamily units; 3,222 single-family detached units, and 1159 condominiums, town homes or cooperatives.

A substantial proportion of the total housing stock (56%) are single-family units. Most of these units were built in the 1950s in response to the post-World War II population boom. Almost all of the housing stock added during the 60s, 70s and 80s were multifamily units and mobile homes. To balance previous development trends, during the 90s, increases in the number of units occurred primarily in single-family developments. The following table describes the distribution, by type, of Hayward's housing units.

Table 5.21: Housing Unit Type: 1960 - 2000

Structure	1960	%	1970	%	1980	%	1990	%	2000	%
Single-family	18,768	92.8	19,951	69.6	20,629	57.5	22,179	52.6	25,904	56.4
Multifamily	1,455	7.8	8,082	28.2	13,402	37.4	18,109	43	18,145	39.6
Mobile Homes	20	0.1	636	2.2	1,839	5.1	1,848	4.4	1850	4
TOTAL	20,243	100	28,669	100	35,870	100	42,136	100	45,922	100

Source: City of Hayward Planning Division, March 2000

Please note that ownership-type housing units include single-family, multifamily (condominium) and mobile homes. According to the 2000 Census, 53.2% of the housing units in Hayward were owner-occupied.

For a discussion regarding the bedroom mix of ownership and rental units, see Table 5.5 Bedroom Mix and Tenure in the section on household size.

The following charts present information regarding the City's owner occupancy rates and percentage of ownership type housing. An owner-occupied unit is defined as a unit of housing stock occupied by the person(s) who own that housing unit. Ownership-type housing stock is defined as housing units that can be either owner-occupied or renter-occupied and includes single-family units, mobile homes, and condominiums.

As of 2000, the number of ownership-type housing units was 30,410 units or 66.2% of the total. The percent of owner-occupied units was 53.2%, an increase from 1990 of approximately 2%. Residential development in Hayward since 1990 has been primarily ownership-type units. The following tables illustrate the type, by tenure, of housing units developed since 1990.

Table 5.22: Percent of Ownership Type Housing Units 1990-2000

Year	Total Housing Units	Ownership Type Housing Units			Ownership Type Units as % of Total Units
		SF	MF	Total	
Total 1990	43,122	24,102	3,508	27,610	64.0%
1990-2000	2,800	1,825	975	2,800	100%
2000 Total	45,922	25,927	4,483	30,410	66.2%

Source: City of Hayward, Planning Division October, 2001

Table 5.23: Owner-Occupied Housing Units 1990-2000

Year	Total Occupied Units	Owner Occupied Units	Owner-Occupied Units as % of Occupied Units
Total 1990	40,964	20,919	51.1%
1990-2000	3,840	2,905	75.7%
2000 Total	44,804	23,824	53.2%

Source: 1990 and 2000 U.S. Census

In 1998, all of the housing units built or under construction were single-family houses, with the exception of one rental condominium project. Of the 1,793 proposed units in projects which have been approved or for which applications are pending, 1,593 are single-family detached units and 200 are condominiums or multi-family units. The remaining potential for further housing development is discussed later in this chapter.

Housing Condition

There are several factors that contribute to condition of Hayward's housing stock including, design, construction, age, and maintenance. Single-family homes have been built in Hayward for more than 100 years. Given the City's age, the type and quality of single-family homes vary. There are many older craftsman style bungalows built in the 1920s that are in better condition than some post-World War II tract homes that were built 30 years later. The post-war housing boom resulted in the development of thousands of single-family homes that were built quickly and some lacked modern amenities such as ceiling insulation. Most of the single-family homes in poor condition in Hayward were built during this period.

The majority of multi-family development in Hayward occurred during a twenty-year period between 1960 and 1980. Consequently, there is less diversity in the design and condition of multi-family developments than that of single-family homes. Most multi-family developments that are currently in poor condition were built in the early 1960s and suffer from poor design, shoddy construction and lack of tenant amenities. The majority of multi-family developments built since 1980 have been subject to stringent design and construction standards and have benefited from consistent maintenance. Consequently, those developments are in good condition.

The table below shows that, as described above, most of Hayward's current housing stock was built within the last 30 years. Almost two-thirds of the housing units have been built since 1960, with approximately 38 percent built between 1960 and 1979.

Table 5.24: Age of Housing Stock

Year Structure Built	Number	Percentage
1999 to 2000	844	1.8%
1995 to 1998	1,049	2.3%
1990 to 1994	2,370	5.2%
1980 to 1989	5,994	13%
1970 to 1979	9,215	20.1%
1960 to 1969	8,160	17.8%
1940 to 1959	16,139	35.5%
1939 or earlier	2,009	4.4%

Source: 2000 U.S. Census

According to 2000 US Census information, approximately half Hayward homeowners live in homes built within the last 40 years. More than two-thirds of Hayward's renters live in units built within the last 40 years. More specifically, almost half of the renter households' units were built between 1960 and 1980.

Table 5.25: Tenure by Age of Housing Stock

Year Unit Built	Owner Occupied		Renter Occupied	
	Number	% of Total	Number	% of Total
Built 1999 to 2000	682	2%	161	1%
Built 1995 to 1998	1896	6%	343	1%
Built 1990 to 1994	1655	5%	1631	6%
Built 1980 to 1989	3842	12%	4214	16%
Built 1970 to 1979	4708	14%	6155	23%
Built 1960 to 1969	4117	12%	6171	23%
Built 1950 to 1959	11316	34%	4911	18%
Built 1940 to 1949	3367	10%	2059	8%
Built 1939 or earlier	1513	5%	1472	5%
TOTAL	33096	100%	27117	100%

Source: 2000 U.S. Census

Based on age alone, the majority of the housing units in Hayward are in good condition. According to the U.S. Census, less than one half of one percent of the housing units in Hayward lack either complete plumbing or kitchen facilities and only one percent lack telephone service.

These characteristics are typical of a housing supply that consists primarily of units developed after the Second World War.

In only three neighborhoods (Burbank, North Hayward and Whitman Mocine) was more than 25 percent of the housing built prior to 1940. Citywide, approximately 15 percent of the City's housing stock was built prior to World War II. The post-War housing boom influenced the housing stock throughout Hayward's neighborhoods. In two neighborhoods (Fairway Park and Southgate) more than 50 percent of the housing stock was built between 1950 and 1959. There are five neighborhoods (Santa Clara, Longwood Winton Grove, Harder Tennyson, Glen Eden, Jackson Triangle) in which more than 30 percent of the housing stock is from this period. The following table presents the age of housing stock in each of the 16 neighborhood planning areas.

Table 5.26: Housing Age by Neighborhood Planning Area

Neighborhood Planning Area	Percentage of Units Built Each Decade						
	1990-2000	1980-1989	1970-1979	1960-1969	1950-1959	1940-1949	1939 or earlier
Burbank	11%	8%	9%	15%	29%	17%	11%
Fairway Park	11%	3%	6%	15%	58%	6%	1%
Glen Eden	3%	5%	33%	23%	32%	3%	1%
Harder Tennyson	4%	11%	19%	20%	36%	8%	2%
Hayward Highland	17%	26%	20%	17%	13%	4%	2%
Jackson Triangle	5%	12%	19%	20%	31%	8%	6%
Longwood Winton Grove	4%	7%	13%	21%	38%	13%	4%
Mission Foothill	4%	12%	25%	19%	23%	11%	6%
Mission Garin	36%	20%	25%	12%	3%	1%	2%
Mt. Eden	19%	26%	20%	11%	18%	2%	3%
North Hayward	12%	16%	12%	13%	17%	18%	13%
Santa Clara	6%	6%	9%	19%	46%	12%	2%
Southgate	6%	13%	4%	22%	50%	4%	1%
Tennyson-Alquire	13%	16%	33%	13%	21%	3%	2%
Upper B Street	8%	19%	18%	14%	21%	13%	7%
Whitman Mocine	1%	11%	16%	16%	27%	20%	9%

Source: City of Hayward

Housing Conditions Survey

The 2000 U.S. Census provides some information about the condition of Hayward's housing stock, however, this information is very limited. To better understand the condition of Hayward's housing stock, and the number of units requiring rehabilitation and replacement, City staff surveyed housing units in each of the City's 16 Neighborhood Planning Areas. These areas were defined through the neighborhood planning process that began in 1986, following the 1986 General Plan update. A total of 16 Neighborhood Planning Areas were established. The Areas were defined based on a variety of factors including homogeneity of neighborhoods, census tract boundaries, established neighborhood organizations, including homeowner associations, and topographical and man-made features. The Neighborhood Planning Areas are further described in Chapter 2 (Land Use) of the Hayward General Plan.

A "windshield" survey of housing units in these neighborhoods was conducted in order to collect qualitative data. The surveyors included staff from the Planning Department, one of the City's Property Rehabilitation Specialists and the City's Housing Development Specialist. There were two stages to the survey; first, each of the Neighborhood Planning Areas were surveyed on a "spot-check" basis in order to informally compare the condition of the housing stock in the rest of the City with that of the neighborhoods selected for the survey. Second, a detailed survey of five selected Neighborhood Planning Areas was conducted.

Hayward has a wide variety of housing types. The housing stock ranges from high-end estates in the Hayward hills to older bungalows from the 1920s in poor condition. The following table is a brief summary of the housing types in each of the neighborhood planning areas. This summary is based on housing surveys conducted during the development of the neighborhood plans and updated with recent windshield surveys by City staff as part of the housing condition survey.

Table 5.27: Housing Condition by Neighborhood Planning Area

Neighborhood Planning Area	Housing Condition
Burbank	The Burbank neighborhood is located south west of Hayward's historic down town. It is one of Hayward's older neighborhoods and is characterized by older housing units and the site of the former Hunts cannery. Almost 60% of the housing stock in the Burbank neighborhood was built before 1960. The majority of the units are single-family single-story craftsman style homes with the balance of the housing stock being multi-family units built in the 1950's and 1960's. Most single family and multi-family units are in good condition. Typical problems include neglected landscaping and deferred maintenance of exterior surfaces.
Fairway Park	Fairway Park is located at Hayward's south-eastern border with Union City. Approximately 75 percent of the housing stock was built between 1950 and 1969. More recently, the Twin Bridges development added 343 single-family units. The majority of the homes east of Mission Boulevard are in good condition. Homes west of Mission are in mixed condition. Typical problems include deferred landscape and exterior surface maintenance.
Glen Eden	Glen Eden is located on Hayward's south-western border. The age of units is fairly evenly distributed with approximately 35% being built prior to 1960, 20% built during the 1960's, 33% built during the 1970's and the remaining amount built within the last 30 years. The single family housing stock consists of 1950s era

Neighborhood Planning Area	Housing Condition
	Eichler style single story homes. The condition of these homes varies. Many have been retrofitted with vinyl windows. Some suffer from deferred maintenance. The southeast portion of this neighborhood has extensive tracts of 1960s era ranch style homes. These homes are in good condition. Most of the multifamily development was built in the 1980s and is in good condition.
Harder Tennyson	The Harder-Tennyson neighborhood has extensive single-family residential tracts built in the 1950s along with a mix of multi-family and single family uses. This mixture resulted from the combination of large lot ranchettes subdivided before World War II and high-density zoning and development from the 1950's through the 1970's. Many of the multi-family developments were built quickly and without much concern for site design or tenant amenities. Subsequently, many of these developments suffer from deferred maintenance and are in poor condition.
Hayward Highland	Hayward Highland is located in the hills that serve as Hayward's eastern border. The bulk of the housing stock is single-family homes on large lots. While this neighborhood was originally subdivided in the early 1900s, more than 60% of the residential development in this neighborhood was built in the last 30 years and more than 40% was built since 1980. Most of the housing near Cal State Hayward is new single and multifamily high-end developments in excellent condition. The homes in the Hayward hills are all in good condition.
Jackson Triangle	Jackson Triangle is located in Hayward's geographic center. This neighborhood was extensively developed with single-family homes in the 1950s and multifamily apartments in the 1960s. Most of the single-family homes suffer from deferred maintenance and are in fair condition. There are several pockets of new, high-quality in-fill residential development.
Longwood Winton Grove	Longwood Winton Grove is located between the Hayward Executive Airport and 880 freeway on the west side of the City. This neighborhood was subdivided from agricultural land uses in the 1920s. Many long, narrow lots from this period still exist today. Almost 40% of the housing stock was built during the 1950s. Homes built during this period are now in mixed condition – exterior surfaces need some repair, roofs and gutters are of mixed condition, yet most homes are well maintained.
Mission Foothill	This neighborhood straddles Mission Boulevard, the major north/south corridor for traffic through Hayward. The housing stock ranges from early 1900s-era Queen Anne and Craftsman style cottages in mixed condition to more contemporary multifamily developments built during the 1960s and 1970s that is in mixed condition.
Mission Garin	The Mission Boulevard corridor also dominates this neighborhood. The housing stock is divided between single-family and multifamily development from the 1960s through the 1980s and new construction built within the last 10 years. More than 35% of the housing stock was built between 1990 and 2000. Most single-family homes are in good condition. There are a few small pockets of older development dating from the 1920s. These homes are in fair to poor condition.
Mt. Eden	Single-family homes make up the majority of the housing stock in this neighborhood. There are two mobile home parks and a scattering of multi-family developments. A mix of older and new units characterizes the neighborhood. A

Neighborhood Planning Area	Housing Condition
	portion of this neighborhood was developed prior to it being incorporated into the City of Hayward. Subsequently, design standards and quality are inconsistent. Homes located in the former County areas are smaller units on large lots and vary in condition. As a contrast, there are a number of newer subdivisions, developed in the 1980s, which are in good condition.
North Hayward	This is one of Hayward's oldest neighborhoods – approximately 25% of the housing stock was built prior to 1950 and more than 10% was built prior to 1939. The majority of the housing units in this neighborhood are well maintained. Many of the historic single-family homes have been restored and updated.
Santa Clara	This neighborhood is bordered by the Southern Pacific Rail Road right-of-way to the east and 880 freeway to the west. The primary housing type are single-family units built during the 1950s. More than 45% of the housing stock was built between 1950 and 1959. Most of these post-war units are in good condition.
Southgate	Prior to World War II, agriculture was the primary land use in this neighborhood. During the 1950s, the post-War housing boom transformed Southgate. Half of the total current housing stock was built between 1950 and 1959. Most of the homes are in good condition. Many have retrofitted dual-pane vinyl windows and newer garage doors. Most roofs and exterior surfaces are sound and landscaping is well maintained.
Tennyson-Alquire	This neighborhood is located in the southern central area of Hayward and is bordered by commercial and industrial land uses to the south. The majority of the housing in this neighborhood was built after 1960. Approximately 33% was built between 1970 and 1979 – most of these units are mobile homes. This is one of Hayward's relatively newer neighborhoods. Most units are less than 25 years old and in good condition.
Upper B Street	This neighborhood is located north east of Hayward's historic down town. It was originally subdivided prior to 1900 and many Victorian and craftsman style single-family homes remain. Many of the single-family homes on larger lots have had "granny flat" units added. Residential development in this neighborhood has occurred consistently since the 1940s. Multifamily development dominated residential construction during the 1960s and 1970s. The older single-family bungalows are in mixed condition and range from restored Victorians to craftsman bungalows in poor condition. Most of the 1960s-era multifamily developments are in fair condition.
Whitman Mocine	Most of the residential development in this neighborhood occurred in the late 1940s and into the 1950s. The first residential subdivision was built in 1949 and multifamily development began in the 1970s. Additional residential development, primarily single-family dwellings on small lots, occurred in the 1990s.

In order to collect quantitative data about Hayward's housing stock, a detailed housing condition survey was conducted in five Neighborhood Planning Areas: Burbank, Harder Tennyson, Jackson Triangle, Longwood Winton Grove and Tennyson-Alquire. These neighborhoods were selected because properties in these neighborhoods are known to be in need of some repair. City

staff randomly selected twenty-five properties in each neighborhood for inclusion in the survey. A total of 125 properties were surveyed. Approximately 70 percent of the properties were single-family homes, 15 percent were multi-family units with two to four units each, the remaining 14 percent were multi-family units with five or more units. Of the 125 properties surveyed, all were occupied. This lack of vacancies is consistent with reports from private real estate market analysis firms that track the rental housing market.

The surveyors collected the following general information about each property: neighborhood location, building address, type of building and occupancy. The survey also collected specific information about the condition of each unit including: roof, gutters, chimney, porches, stairs, fences, doors and windows, exterior surfaces and yard/landscaping. The following table summarizes the condition of the housing units surveyed by neighborhood.

**Table 5.28: Housing Condition Survey Results
by Selected Neighborhood Planning Areas**

Neighborhood	Census Tracts	Good		Fair		Poor	
		Units	%	Units	%	Units	%
Burbank	4363	17	68%	4	16%	4	16%
Harder Tennyson	4374, 4375, 4376, 4377, 4378	7	29%	10	42%	7	29%
Jackson Triangle	4366.01, 4366.02	17	68%	3	12%	5	20%
Longwood Winton Grove	4369	12	48%	6	24%	7	28%
Tennyson-Alquire	4382.01, 4382.02	19	73%	5	19%	2	8%
All Survey Neighborhoods		72	58%	28	22%	25	20%

Source: City of Hayward, Department of Community and Economic Development

The Harder-Tennyson neighborhood had the largest percent of housing units in poor condition. This is most likely due to the fact that there is a large concentration of poorly managed and maintained multifamily housing that was built in the late 1950s and early 1960s. While the Burbank neighborhood is characterized by a concentration of older homes (dating from the 1930s), more than two-thirds of the units are in good condition. The condition of the homes in Burbank indicates that the age of housing stock does not necessarily correspond with the condition of the housing stock. The following table summarizes the condition of the housing units surveyed by unit type.

**Table 5.29: Housing Condition Survey Results by Unit Type
in Selected Neighborhood Planning Areas**

Property Type	Total	Good		Fair		Poor	
		Units	%	Units	%	Units	%
Single Family	88	61	69%	14	16%	13	15%

		Good		Fair		Poor	
2 to 4 Units	19	9	47%	5	26%	5	26%
5 or more Units	18	2	11%	9	50%	7	39%
<i>Source: City of Hayward</i>							

The results of the survey are consistent with a housing stock that primarily consists of units built during the housing boom following World War II. Approximately 58 percent of all the units surveyed, regardless of location or type of unit, are in good condition; having only minor defects in no more than two of the five systems surveyed. Approximately 22 percent are in fair condition (minor defects in four of the systems) and 20 percent were in poor condition (minor defects in all of the systems or major defects in two or more systems). These conclusions should *not* be extrapolated and applied to all of Hayward's housing stock since three of the neighborhoods chosen were selected on the basis of having some of the worst housing in the City. Rather, the purpose of this survey was to gauge the condition of units within these specific neighborhoods.

Housing Conditions – Multifamily Developments

The City has helped finance the acquisition and rehabilitation of multifamily developments in exchange for long-term affordability restrictions. Based on the City's experience with multifamily developments primarily occupied by lower income households, typical repairs include new roofing; plumbing; mechanical systems; rehabilitation of unit interiors, such as upgrading bathrooms and kitchens; interior and exterior painting; and landscaping.

The City of Hayward Rental Housing Inspection staff inspect approximately 2,500 rental units each year to assure that all rental units in the City meet code. According to City inspectors, the bulk of these units are in good condition. Typical unit condition problems are usually evenly divided between unit interiors and exteriors. These problems consisted of electrical, mechanical and plumbing code violations and maintenance issues.

Table 5.30: Rental Housing Condition in 2000

Condition	Number	Percentage
Good	1,750	70%
Minor Deterioration	500	20%
Moderate Deterioration	125	5%
Substantial Deterioration	75	3%
Dilapidated	50	2%

Source: City of Hayward Building Division, Rental Housing Inspection Program:

The City of Hayward operates an active residential rehabilitation program. City staff coordinates a variety of rehabilitation projects for both single and multifamily dwellings. These programs are intended to improve the quality of the housing stock occupied by lower and moderate-income households. Rehabilitation program staff primarily work in lower-income neighborhoods. They

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report that, given the age of the owner-occupied housing stock, there is some deterioration, but, on the whole, most owner-occupied units are in good condition. The City's rehabilitation programs address major and minor home repair problems in approximately 80 units per years. Based on the number of inquiries received by program staff, there is a high demand from low and moderate households for housing rehabilitation assistance. There are two categories that most need City assistance: senior citizens on fixed incomes whose homes have many deferred maintenance issues and those few low income families who were able to become homeowners and usually bought the house "as is" in very poor condition.

Housing Affordability

The Hayward housing market has traditionally been one of the most affordable in the Bay Area. In addition to rents and sales prices that have been relatively low in comparison with surrounding jurisdictions, Hayward has 1,542 units of subsidized housing and 1,616 households with Section 8 Housing Vouchers. The following table shows the number of subsidized units and Section 8 Voucher holders in various cities in Alameda County, as inventoried by Alameda County.

Table 5.31: Affordable Rental Housing Units

Jurisdiction	Affordable Rental Units	Section 8 Vouchers
Alameda	709	1,305
Albany	16	17
Berkeley	726	1,496
Dublin	243	20
Fremont	1,152	1,107
Hayward	1,542	1,616
Livermore	944	575
Newark	200	196
Oakland	10,642	10,446
Pleasanton	872	157
San Leandro	486	787
Union City	537	535

Source: Alameda County Housing and Community Development 2001

During the late 1990s, the San Francisco Bay Area economy expanded with unprecedented growth in high-paying jobs in the computer and high-tech industries. These economic conditions resulted in new wealth for some. However, the growth in employment opportunities was not matched by an expansion of the housing supply. The influx of highly-paid workers into the housing market resulted in skyrocketing rents and the highest home sales prices in the United States. Lower-skilled, lower-income families were forced to compete with more affluent families for fewer available housing units. These housing market conditions, coupled with a

modest amount of vacant land available for residential development, have combined to create a housing crisis for low and moderate-income families.

Change in the real estate market came later to Hayward than it did to many other cities in the inner Bay Area. However, in the last four years housing costs have changed dramatically. Between 1999 and 2000, there was a 24% jump in rents in buildings of 50 units or more and an even larger percentage increase in sales prices of new and existing homes. With the demise of many of the technology companies, the intensity of demand has decreased. However, sales prices and rents have moderated only slightly because the problem – that there is an insufficient number of housing units affordable to the households that need them -- continues.

The 2000 Census showed that approximately 32% of Hayward homeowners with a mortgage pay more than 30% of their household income for housing. Twenty-three percent (23%) pay more than 35% of household income. This is partly due to the long-term trend of Bay Area household incomes not keeping pace with increasing rental and ownership costs.

The current obstacles facing tenant households who would like to own their own homes are the limited supply of for-sale units and sale prices that exceed the financial means of many households, regardless of income. The following discussion illustrates the cost burden for owner households.

The gap between median incomes and median home prices is sizable. In 2001, according to HUD, the median household income (for a family of four) for Alameda County was \$71,600, while the median home price in Hayward was \$325,000 (Bay East Association of Realtors, August 2001). The median income for the City of Hayward was estimated to be approximately 80% of the HUD median income for the Oakland PMSA or about \$57,280, making it much more difficult for current Hayward tenants to become homeowners. Examples of the impact of the gap between incomes and sales prices are in the section on housing cost burdens for owners that follows.

Because Hayward has more ownership type housing than owner-occupied housing, opportunities exist to increase the home ownership rate by helping tenants become homeowners. However, even with relatively low interest rates, sales prices are still high -- effectively pricing low-income tenants out of the first-time homebuyer market. For example, in 1998, a three-bedroom, one bath home, could be purchased for \$165,000. As of August 2001, the median price for a three-bedroom home was approximately \$325,000. During August 2001, there were a total of 279 detached single-family homes and 72 condominiums and townhouses on the market in Hayward. By 2002, the average price of a resale home in Hayward was \$386,357 and that house was on the market an average of 28 days from listing to purchase agreement. (BayEast Association of Realtors, March 2003)

Housing Cost Burden for Owners

Using the HUD guideline of 30% of income for housing costs, almost all recent first time home buyers are overpaying for housing. Almost all lenders use 33% as the ratio for housing costs, although it may go as high as 35% of income. The following tables present examples of the

ownership affordability gap. These examples are based on a household size of three persons (the average household size in Hayward) who earn no more than \$61,280 and can pay no more than \$1,532 per month for housing (33% of their monthly income). The mortgage amount is based on a 30-year term at 7 percent fixed interest and a down payment of 3 percent. The maximum mortgage amount this household can afford would be approximately \$165,000 – or \$1,532 per month. These examples are based on the actual prices of homes for sale in Hayward (as of 2002). The median price for a two bedroom, one bath home is \$298,500; a three-bedroom home is \$360,000.

Table 5.32: Ownership Affordability Gap – Single-family Home

	<i>If purchasing a two bedroom home</i>	<i>If purchasing a three bedroom home</i>
If the Median Sales Price =	\$ 298,500	\$360,000
Down payment	\$ 14,925	\$ 18,000
Maximum Mortgage Amount	\$283,575	\$342,000
Monthly Mortgage Payment (excludes taxes and insurance)	\$1,700	\$2,158
Annual Income <i>Three-person household@ 80% of median income for the Oakland PMSA</i>	\$61,280	\$61,280
33% of monthly income less taxes and insurance = monthly mortgage payment <i>Income amount is same for both examples</i>	\$1,500	\$1,500
Maximum feasible mortgage for household income	\$250,187	\$250,187
Monthly Gap	\$200	\$658
Total Gap	\$33,388	\$91,813

Source: City of Hayward, Neighborhood and Economic Development Division

This example demonstrates that the average size low-income household earns \$200 per month less than what is required to purchase a two-bedroom home at the median price and \$658 less than what is required to purchase a three-bedroom home.

To qualify low and moderate-income buyers for first mortgage loans, many lenders use variable interest rate loans (often with “teaser” rates). As interest rates rise, monthly payments increase, often by \$150 or more per percentage point (depending upon the index used). At the same time, the costs of repair and replacement of common area improvements can increase faster than were estimated for reserves, causing an increase in the condo fee. Lower income households can get caught in the middle because family income usually does not rise as fast as these increased

expenses. Although single-family homes are more expensive than condos, owners have more control over costs and can earn higher levels of property appreciation in a single-family home.

Tenant Housing Costs as a Percentage of Household Income

Another way of looking at the need for affordable housing is to look at rental housing costs as a percentage of household income. According to the U.S. Department of Housing and Urban Development (HUD), no more than 30% of gross household income adjusted for household size should be spent on rental housing costs. Tenants who pay housing costs in excess of this amount are considered to be “cost burdened” or overpaying for housing. As shown in the chart below, using the HUD standard, Hayward has the second highest percentage of cost burdened tenants among the comparison municipalities.

Table 15.33: Gross Rent as a Percentage of Household Income, 1999

Gross Rent As a % of Household Income in 1999	Fremont	Hayward	Oakland	San Leandro	Union City	Alameda Co.
Less than 15%	14.8	15.0	15.8	15.2	15.4	15.2
15 to 19%	17.3	15.4	13.4	15.4	18.1	14.4
20 to 24%	17.1	13.5	12.5	14.6	14.2	13.7
25 to 29%	12.1	11.3	11.7	12.4	10.3	11.5
30 to 34%	8.3	9.1	7.6	9.3	9.7	8.0
35% or more	27.2	32.4	34.6	29.0	29.1	32.5
% cost burdened (over 30% of income)	35.5	41.5	42.2	38.3	38.8	40.5
% Not computed by Census	3.3	3.3	4.3	4.0	3.2	4.3

2000 U.S. Census

Among tenant households, the high cost of housing is even more apparent. More than 41% of Hayward’s tenant households pay 30% or more of household income for housing. 2000 Census figures also show that 32% of tenant households pay 35% or more of their household income for housing and 18% pay more than 50% of their household income for housing.

Beginning in 1998, demand for rental housing in Hayward increased faster than supply which caused upward pressure on Hayward rents. (Real Facts, 12/00) Lower-skilled, lower-income families were forced to compete with more affluent families for fewer available housing units. The incomes of many of Hayward’s tenant households did not increase in proportion to the increase in rents.

With the downturn in the economy, the intensity of demand has decreased. However, sales prices continue to be high because the problem – an insufficient number of housing units affordable to the households that need them -- continues. Rents have moderated somewhat. This is supported by the fact that the rental occupancy rates from 2000 to 2002 have only declined 2.9% in Hayward-- from 98.5% to 95.4% -- although more than 40,000 jobs have been lost the

Bay Area. In 2003, rents appear to have declined further; although the highest percentage decline in rents has been among those that were the most expensive. (Real Facts, 2003)

According to Eden Information and Referral's (Eden I & R) housing database for the City of Hayward, there are approximately 4,900 rental housing units; most are one and two bedroom (4,472 units). Few of these units are vacant at any given point in time, because the rents charged for these units are typically at the low end of the market. The average rent for a one-bedroom unit is between \$768 and \$774 per month; two bedroom units average \$892-904 per month. There are only 262 three-bedroom units in their database; their average rents are \$1169 to \$1188.

While these rents may be affordable for households at the HUD Low Income level, they are not affordable to households at or below 50% of median income. Households at 50% of median income will need to pay considerably more than 30% of their gross income, depending upon the size unit needed. Finally, discussions with ECHO and Eden I & R staff indicate that rents for the lowest-priced units were raised the most between 1998 and 2000. Rent increases of \$300 to \$400 per month were not unusual, creating an additional burden for very low-income households who are already paying more than 30 percent of their income on housing costs.

Real Facts, a residential real estate market analysis firm, found the following rents and unit mixes in their December 2002 market analysis of 7,162 units representing 58 rental properties in the City of Hayward. This inventory (designed to be a cross-section of the Hayward market) is slightly more than one third of Hayward's multifamily rental stock. Over the past two years, the occupancy rate has decreased from 98.4% in 2000 to 95.4% in 2002.

Table 5.34: Rental Housing Market Analysis

Unit Mix	# Units	% Mix	Average Square Ft	Average Low Rent	Average High Rent	Average Rent	Average Rent/Square Ft
Studio	102	1.4%	536	936	952	942	1.76
1 Bedroom/1 Bath	3,276	45.7%	699	985	1,045	1,005	1.44
2 Bedrooms/1 Bath	1,214	17.0%	891	1,185	1,194	1,188	1.33
2 Bedrooms /2 Baths	2,170	30.3%	967	1,291	1,359	1,314	1.36
2 Bedroom Townhouse	163	2.3%	901	1,196	1,196	1,196	1.33
3 Bedrooms/2 Baths	221	3.1%	1,088	1,563	1,578	1,568	1.44
3 Bedroom Townhouse	16	0.2%	1,025	1,395	1,495	1,428	1.39
Totals	7,162		828	\$1,135	\$ 1,185	\$1,151	\$1.39

Source: Real Facts, December 2002

Between 1997 and 2001, rents in this market sample increased an average of 55.3%. Then, between 2001 and 2002, rents decreased an average of -8.7% with the largest decreases in rent among studio (-10.5%), one and two bedroom apartments (-9.1% and -9.5%). Over this period, the decrease in rents has been approximately \$100 per month, with the greatest reductions occurring in the smaller size units.

Unless existing tenants negotiate with their current landlords to lower their unit rents, these tenant households will not see the benefit of the rent reductions. Since many of Hayward's poorest tenant households are recent immigrants, they may not realize that it might be possible to renegotiate their current rents or be afraid that they will lose their housing if they ask. Most of the benefit of these rent reductions have likely been realized by new tenants moving in.

In 2001, almost all lower income households were overpaying for housing, if we use the HUD income levels and rent standard of 30% of household income for housing costs. As can be seen, the highest percentage of rental units in Hayward are one bedroom/one bath units and the next highest are two bedroom/two bath units. In 2001, the low average rent for a studio was higher than 30% of the HUD Low Income for a household of one; as was the low average rent for a one-bedroom/one bath for a household of two or three. Households of four, at the top of the HUD Low Income range could afford a two-bedroom/one bath apartment or a two bedroom town house, but could not afford a two bedroom/two bath or a three bedroom apartment. Households of five could barely afford the average low rent for a two-bedroom/two bath apartment and might suffer from overcrowding. Even a household of six could not afford a three-bedroom/two bath apartment, although that household could afford a three-bedroom townhouse.

In 2003, the HUD income levels are higher and apartment rents are lower. In general, households at 60% of the Oakland PMSA median income can afford to rent a one or two bedroom apartment or two bedroom townhouse. Households need to be at 80% of area median income in order to rent a three bedroom unit without overpaying.

However, some tenants are still "locked" into their current apartments. To qualify for a market-rate rental, prospective tenants generally have to have a monthly household income of at least two or two and a half times the rent. Tenants who initially qualified for their apartments at lower rental rates, often cannot re-qualify for that same (or another similar) apartment at the new rental rate. The tenant is stuck; the household must continue to pay the higher rent or try to find another apartment for which they can qualify.

The high cost of housing in the San Francisco Bay Area is as much a problem for moderate and lower-income families as is the physical condition of housing units or the incidence of neighborhood crime. High rents lead to overcrowding as families cut their expenses by living in smaller, more affordable units that may not be appropriate for the number of individuals in their family. Excessive cost burden may not be as visible as poorly maintained deteriorated buildings, but it has a significant impact on a family's quality of life and on the ability to maintain the property. This also has an impact on the quality of life in the neighborhood since poor maintenance; too many automobiles; and insufficient park and recreational space affect the neighborhood as well as the property and the residents.

Special Needs Housing Analysis and Estimated Number of Households

People with Disabilities

Low-income persons and families with special needs, including the frail elderly, persons with disabilities, persons with HIV/AIDS, persons with alcohol or other drug problems, and victims of

domestic violence need housing with support services. However, there are very few housing developments that have supportive services. Supportive housing can increase life expectancy and quality of life for persons with special needs. For many, it can be key to preventing or permanently ending homelessness.

Each special needs population requires different levels of service and support. Some people will only need physical barrier removal or the installation of special equipment in the home. Frail elderly may need case management services. A person with acute disabilities, such as end-stage AIDS or severe mental illness may require a high level of many types of services available on site. Less vulnerable populations may need fewer services at their residence, but may need to be able to access services in the broader community. Services that are often associated with supportive housing include case management, alcohol and drug counseling, health and mental health care, money management and childcare.

The following table shows 2000 Census data on disabilities.

Table 5.35: Types of Disabilities

Disability	Female	Male	Total	% of Population
All types of disability	13,372	13,925	27,297	19 %
With one type of disability:	7,000	7,494	14,494	10%
Sensory disability	618	704	1,322	1%
Physical disability	1,493	1,509	3,002	2%
Mental disability	536	748	1,284	1%
Self-care disability	98	134	232	.07%
Go-outside-home disability	1,634	1,056	2,690	2%
Employment disability	4,865	4,637	9,502	7%
With two or more types of disability:	6,372	6,431	12,803	9%
Includes self-care disability	2,084	1,395	3,479	2%
Does not include self-care disability:	4,432	5,262	9,694	7%
Go-outside home and employment only	2,811	3,583	6,394	5%
Other combination	1,621	1,679	3,300	2%

2000 U.S. Census

There are many privately-operated facilities, including nursing homes and numerous licensed and unlicensed group homes, located in Hayward that serve disabled children, teens, adults, and seniors. There are 107 licensed group homes in the City. It is not known how many unlicensed group homes there are serving six or more residents; although, staff estimates that there are at least as many unlicensed as licensed homes. The City does not require a use permit for group homes serving fewer than seven residents; these are treated as single-family homes. Also, the City does not require a use permit for either child or adult day care serving fourteen or fewer residents.

The California Department of Rehabilitation estimates that 3% of the total population have disabilities which have an impact on their housing requirements to a significant degree, forcing

the disabled to live near medical facilities, live in specially designed homes or live in congregate housing. Because the sole source of support for many people with disabilities is SSI, these are extremely low income households. Many have difficulty obtaining housing when vacancy rates are low; most market rate housing is unaffordable. Many units of affordable housing are not accessible and cannot accommodate physically disabled persons. Education of landlords and disabled tenants regarding reasonable accommodation is sporadic. The lack of understanding by landlords of the needs of disabled tenants often leads to eviction proceedings, rendering the disabled person homeless and with a poor tenant history making future rental opportunities more difficult.

Recognizing these issues, for approximately 20 years, the City of Hayward has funded Community Resources for Independent Living (CRIL), the southern Alameda County independent living center, and Eden Council for Housing Opportunities (ECHO) to educate landlords regarding the needs and rights of people with disabilities, the availability of the City's accessibility grant program and the state and federal government's fair housing requirements. ECHO also audits rental residential developments for housing discrimination as part of ECHO's Community Development Block Grant contract with the City. Their last audit on disability was conducted in the fiscal year 2000-2001. The audit tested 51 properties over a five month period in Hayward, Union City, San Leandro, Livermore and Pleasanton. Twenty of these sites were in the City of Hayward. There were no properties where the tester was denied housing because of their spouse's disability. Five Hayward sites (25%) denied the tester permission to make all of the reasonable accommodation modifications necessary for the disabled spouse to move in. After the audit was completed, ECHO followed up with an educational campaign directed at the owners and managers of the apartments involved so that they received feedback on their performance in the audit as well as information and training regarding fair housing laws.

Although services for people with identified special needs is most critical, more limited service enriched housing can be beneficial to lower income populations that do not have special needs. Each household has a range of service needs, such as childcare, health care, advice about financial matters and educational opportunities. People with adequate resources are able to purchase these services in the community. Those who lack these resources can benefit greatly from affordable housing with services. These services can help stabilize individuals and families and prevent homelessness.

Senior Citizen Households

As discussed in the section on Age, Hayward's senior population has declined in the past ten years.

Table 5.37: Number, Median Income, and Poverty Status of Hayward Seniors

	# Households	Median Income for Age Group	# Below Poverty Level	% of Households below Poverty
Householder 65 to 74 years:	4,245	\$37,833	481	0.11
Householder 75 years and over:	3,779	\$24,003	491	0.13

Source: 2000 U.S. Census

The following chart shows the percent of senior citizen households whose income was at or below HUD Low Income limits in 1990 and 2000. This may not be a true picture of the economic well-being of the senior population since personal assets are not included. As can be seen, there are fewer senior households with incomes at or below HUD Low Income in 2000 than in 1990.

Table 5.38: Percent of Senior Households with Incomes at or below HUD Low Income

	55 to 64 yrs	65 to 74 yrs	75+ yrs
1990	45.2%	71.7%	86%
2000	42%	64%	78%

Source: 1990 and 2000 U.S. Census

The following table shows the number of senior citizen households who own or rent. As can be seen, approximately 24% of Hayward's seniors rent their units.

Table 5.39: Senior Households' Tenure

Tenure/Age Range	65-74	75-84	85+	Total
Owner	4,070	3,157	692	7,919
Renter	1,112	924	495	2,531

Source: 2000 U.S. Census

As shown in the discussion of tenure by age, most of Hayward's seniors are owner-occupants. Many Hayward seniors live in one of the nine mobile home parks in the City. Although they own their mobile homes, many of these seniors have very low incomes and, therefore, must defer needed maintenance on their units. Hayward has the largest number of mobile home parks in mid- and southern Alameda County. Unincorporated Castro Valley has the next largest number. In all cities, in the 2000 Census, senior households 75 years and older had the lowest incomes and were the smallest group in absolute numbers.

The 2000 Census also shows that there are 1,267 women age 65 and older living in group quarters; the majority (845) of whom are in nursing homes. Of men, 65 years and over in group quarters, 348 out of 571 are in nursing homes.

Large Households

Prior to receiving 2000 Census information, ABAG Projections 2000 estimated that the average household size in Hayward would increase from 2.75 persons per household in 1990 to 2.92 in 2000. However, 2000 Census data showed that the average household size is 3.08 and the average family size is 3.58. In some census tracts, the average family size is as large as 4.26. As discussed in the section on household size and race/ethnicity, Hispanic, Pacific Islander and

Asian households have the largest household and family sizes in Hayward. The 2000 Census showed there were 4,733 new households in Hayward. Since there were approximately 3,000 new dwelling units developed during this period, it is highly likely that there is significant overcrowding.

Since Hispanic households are about one third of Hayward's population, with slightly more than half being tenants, there are likely to be significant numbers of overcrowded Hispanic tenant households. Since Asian and Pacific Islander are more likely to be homeowners, overcrowding is likely among large families who are homeowners, and certainly present among tenant households.

There are slightly more large-family owner households than renter households. As discussed in the section on household size, while there appears to be an appropriate fit in ownership housing, there appears to be substantial overcrowding in rental housing. Most of the rental stock in Hayward are one and two bedroom apartments, although there are about 300 units of three bedroom, one bath apartments in the Harder-Tennyson. Clearly those 300 units are not sufficient to meet the need.

Overcrowding can be defined in terms of the ratio of occupants per room. A conservative standard for overcrowding is 1.51 or more occupants per room. According to the 1990 Census, 2,058 occupied housing units had a ratio of 1.51 or more persons per room, and 70 percent of these overcrowded units were occupied by renters. The incidence of serious overcrowding appears to have increased from 1980 by approximately 1400 units. The 2000 US Census showed that overcrowding had more than doubled; there were approximately 5,000 occupied housing units that had a ratio of 1.51 or more persons per room. Of those, approximately 67% are occupied by renters.

As discussed in the household composition section, the percentage of large households in Hayward has been slowly increasing since 1980. The 2000 Census identified 10,581 households with 5 or more members, almost 20% of total households and twice the number of large family households as in 1990. Large renter households are more predominant in two census tracts (4375 and 4377) in the Harder-Tennyson and in the Jackson Triangle; large households in ownership housing are more predominant in the Tennyson/Alquire, Fairway Park and Glen Eden neighborhoods.

Farm workers

There are no agricultural land uses in or near the City of Hayward.

Female/Male Single Heads of Households

The following table looks at the changes over time in families regarding the gender of the head of household.

Table 5.40: Head of Household Gender

Head of Household	1980	% of Total	1990	% of Total	2000	% of Total	# Increase 1990-2000	% Increase 1990-2000
Married	19,627	79.8%	20,354	73.7%	22,555	70.6%	2,201	10.8%
Female Head	3,865	15.7%	5,247	19.0%	6,503	20.4%	1,256	23.9%
Male Head	1,107	4.5%	2,010	7.3%	2,873	9.0%	863	43.0%
Total	24,599	100.0%	27,611	100.0%	31,931	100.0%	4,320	

Source: 2000 U.S. Census and City of Hayward Neighborhood and Economic Development Department

As is true of the U.S. population as a whole, in Hayward, the percentage of married families has decreased and the percentage of unmarried heads of households has increased; particularly, male headed households. The following table contrasts the household types for selected localities.

Table 5.41: Household Types for Selected Cities and Alameda County

Head of Household	Hayward	%	Alameda County	%	Berkeley	%	Fremont	%	Oakland	%
Married	22,555	70.6%	245,766	72.5%	12,972	69.6%	42,757	81.9%	51,332	59.4%
Female	6,503	20.4%	67,886	20.0%	4,253	22.8%	6,307	12.1%	26,707	30.9%
Male	2,873	9.0%	25,444	7.5%	1,421	7.6%	3,164	6.1%	8,308	9.6%
Total Family Households	31,931	100.0%	33,9096	100.0%	18,646	100.0%	52,228	100.0%	86,347	100.0%

Source: 2000 U.S. Census

Oakland has the highest percentage of female-headed households, followed by Berkeley, Hayward, Alameda County and Fremont.

In Hayward, of the total households in poverty, 36.41% of unmarried family households are below the poverty level; 25.32% are female-headed family households and 11.10% are male-headed family households. This is a contrast to the 1990 Census where it was found that 38.86% of unmarried family households were below the poverty level; 36.19% were female-headed households, while 2.67% were households headed by men.

Homeless

The Alameda Countywide Homeless Continuum of Care Plan indicates there are an estimated 9,000 to 16,500 people homeless within Alameda County on any given night. Although three-quarters of this population identify Berkeley or Oakland as their place of residence, between 2,000 and 3,500 (23%) considered other jurisdictions within Alameda County as their primary

place of residence before becoming homeless. While services and housing opportunities for homeless people have steadily increased in Alameda County, they have not kept up with the pace of people becoming homeless.

The Alameda Countywide Homeless Continuum of Care Plan estimates that families make up between 30 and 49% of the homeless population. Forty-nine percent of the shelter beds in the county serve families, however the number of beds does not meet the number of homeless who would like to sleep in them. These beds are distributed across the county in proportion to the homeless population (e.g. most of the beds are in Oakland and Berkeley, with the remaining beds spread throughout the County).

The Plan also indicates that 38-48% of the county's homeless population have alcohol or other drug problems and 22-42% have moderate to severe mental health problems. There is a high percentage of people who are dually diagnosed with both alcohol/other drug problem and some form of mental illness (19-40% of total homeless). HIV infection is estimated at 15-25% of the total homeless adult population. For women, domestic violence is a major cause of homelessness, affecting 22-60% of homeless women. Veterans (primarily male veterans) make up approximately 34% of the homeless populations.

Many of the shelter beds serve a portion of these subpopulations, however many people are more comfortable and more willing to get services from shelters that target people with their specific needs. Often general shelters are unable to deal with the complex needs of subpopulations, such as those dually diagnosed and those released from prison. Current shelters offer beds, supported housing units, and residential treatment beds, in addition to multi-service centers for day-time use. Targeted services for people with one or more special needs or disabilities are needed outside of Berkeley, Oakland and Hayward.

There are four homeless shelters within the City of Hayward, providing 104 beds each night. These facilities provide shelter and services specifically designed for either intact families, women, children or single men. All of these shelters are full on a nightly basis and often have to turn away people in need. In addition to providing emergency shelter services, there are two transitional housing programs, serving approximately 18 families within the City of Hayward that help families moving from homelessness to permanent housing.

Table 5.42: Homeless Programs

Shelter Program	Clientele	Capacity
Emergency Shelter Program (ESP)	Women and their children who are survivors of domestic violence and women and their children who are homeless.	32 Beds
Family Emergency Shelter Coalition (FESCO)	Two parent families who are homeless and single parent headed households.	24 Beds
Human Outreach Agency (HOA)	Single men who are homeless and referred by Alameda County Social Services.	18 Beds
South County Homeless Shelter (Building Opportunities for Self Sufficiency)	Mentally disabled homeless men and women.	30 Beds

Shelter Program	Clientele	Capacity
WINGS	Women and children who are survivors of domestic violence.	14 Units
FESCO	Homeless families.	4 Units

Source: City of Hayward Neighborhood and Economic Development Division

CONSTRAINTS ON THE PRODUCTION OF HOUSING

Background

In order to fully understand the current constraints on the production of housing in Hayward, it is first important to look at the residential development practices of the past. Between 1950 and 1960, Hayward's population increased more than 400%. This population boom created a demand for single-family detached housing; approximately 15,000 units (more than 70%) of Hayward's single-family detached homes were built between 1950 and 1960. From 1960 to 1990, very few (only 2,460) units of single-family detached housing were developed. The perception of community residents was that Hayward was supporting multifamily rental housing, to the detriment of home ownership. Out of this belief was born the City's homeownership initiative in the early 1990s. Due to this initiative and the economic boom of the 1990's, almost as many single-family detached units -- slightly more than 2,000 -- were developed during the period 1990 to 2000 as had been developed in the previous thirty years.

Prior to 1960, there were relatively few multifamily housing units (approximately 1,400) in Hayward. To accommodate the substantial population increase and reduce the costs of extending city utilities, including water, storm drain and sewer, throughout Hayward, developers began to focus on building multifamily housing. Between 1960 and 1970 approximately 7,000 units of multifamily housing were built. In the next two decades, approximately 10,000 units of multifamily housing were developed. During most of that time, apartment developers/owners were allowed to maximize density and lot coverage; one parking space per unit was required. Building and planning fees were very low; little attention was paid to the quality of construction and materials and to site design, as builders rushed to meet the population boom.

Over time, these efforts to accommodate the population increase created many problems for Hayward residents and neighborhoods. Apartment developments that maximized density and lot coverage did not include play areas for children or areas where families could gather outside of their apartments as neighbors and enjoy community activities. One parking space per unit is now insufficient for the number of automobiles owned by tenants. Automobiles are now often parked in adjoining residential areas or in non-parking areas in the complexes. In many cases, the appearance, amenities, quality of materials and construction methods would not meet the standards of more recent developments. Finally, many of the early developments have been poorly maintained.

In summary, architecture, site planning, construction, landscaping, parking, open space, recreational amenities and property maintenance have had a significant impact on the overall quality of older neighborhoods and a cumulative impact on the quality of life in Hayward.

Governmental Constraints

In general, Hayward's land use controls, design guidelines, codes and enforcement, required site improvements, fees and permit processing procedures have been developed, in part to, to correct development problems that have become evident over time. For example, in the early 1990s, the City Council adopted design guidelines for various types of development to ensure that development within Hayward met a minimum quality standard and that developers were provided with consistent information from staff.

Development Patterns and Trends

Among central and southern Alameda County cities, Hayward is the oldest and one of the largest cities. For much of its history, Hayward has been perceived as a "blue collar" town due to the Hunts Cannery, its large industrial area and relatively affordable small houses. This perception, and the low ranking of the unified school district, are some of the reasons why Hayward has not been a "hot market" for residential development. Even now, a new home in Hayward does not command as high a price as that home would in Union City, Pleasanton, or Fremont. City Council and staff planners have had to take an active role with developers to obtain new residential, commercial and industrial development of the same quality as surrounding areas to the south and east of Hayward.

The quality of development is a very important issue here. The City has experienced many problems caused by low development standards and greater density. From the 1950s through the mid-1980s, there were surges of various types of development. First, single family detached development, then, multifamily development. Between 1960 and 1970 approximately 7,000 units of multifamily housing were built, and during the next two decades, approximately more than 10,000 units of multifamily housing were added. In neighborhoods that had had "ranchettes" or parcels that were used as chicken farms, lots were rectangular, narrow across the front and very deep. Because there were few development standards until the mid-1980s, some apartment buildings were poorly designed with as many units as possible loaded on the site, built with construction methods and materials that were not the best. There was little or no play space for children in the developments. The problems caused by poor quality design in the past, continue to exacerbate troubles in Hayward's poorer neighborhoods in the present.

Over the decade from 1990 to 2000, relatively few multifamily units were built due to changes in the federal tax code, the economic recession of the early 1990s, and market acceptance of single-family homes on smaller lots. In the early 1990s, Hayward tried to stimulate higher densities and the development of multifamily housing in the downtown area by zoning the downtown Central City district 50-65 units to the acre. However, developers consistently told City staff that it was not economically feasible to build to the densities required. A 1992 study by Sedway & Company bore out this assertion and densities in the downtown were revised downward to have a lower limit of 25-30 units per acre. Even then it was very difficult to attract developers, regardless of the development incentives offered by the Redevelopment Agency. In 1995, the Redevelopment Agency negotiated with Sares-Regis to develop 83 townhouse units on a site adjacent to the downtown BART station. This developer was also concerned about the

proposed density of the project (approximately 30 units per acre), but felt a townhouse development adjacent to BART would be saleable. In 1996, the Atherton Place Townhomes development was completed. This was the first residential development built in the downtown in more than thirty years. Not until Atherton Townhomes successfully sold out in 1997 were developers attracted to downtown Hayward.

Although downtown zoning densities allow more units per acre than what has been built, developers continue to maintain that the market will not support the costs of building to maximum densities. In the past fifteen years, no developer has requested a density bonus. City staff has carefully analyzed this issue and have identified several reasons:

- Developers thought of Hayward as a suburban, rather than an urban area where single family development could not be too dense; otherwise, the units might not sell. However, through the City's efforts to redevelop downtown and create transit-oriented housing, this perception is slowly changing.
- Although the City is very supportive of mixed-use development to increase the supply of housing and highlight smart growth principles, many developers would prefer not to build these types of projects because they are much more complex to finance. Unless the project is in a high demand market, there is also the risk that the retail or office space will be or become vacant.

During the period 1990 through 2000, more than 430 new residential units were added to the downtown and nearby areas, 86 of these units were permanently affordable to households at or below 60% of median income and almost one-third were affordable to households at or below 30% of median income. At least 350 more units are currently in some phase of development. When first built, the Atherton Townhomes (83 units), were affordable to moderate income first-time homebuyers. However, the past several years of extreme price inflation in the Bay Area have put the purchase of these resale homes beyond the means most moderate-income first time home buyers.

The first market rate, multifamily rental development in the downtown was developed west of the downtown BART station. One hundred and ninety-two (192) up-scale rental units were developed at 30 units to the acre. Reduced parking was allowed for this development because it was adjacent to the BART/AC Transit hub. Interestingly, the developer created more parking spaces than the minimum, because it would make the project more marketable. It has taken a long time, but Hayward has finally been successful in obtaining diversity in both product type and density --single-family ownership, lofts, and multifamily rental housing in the downtown.

Because development takes a long time and almost all of the development cost is at risk prior to a unit being occupied, developers are very sensitive to what they perceive the market wants. During the period of 1990-2000, the largest and most consistently profitable residential product in the real estate market has been detached single-family homes. Because of the risks involved, generally, developers do not like to pioneer new and different types of residential products. They want to be assured that their investment is as secure as possible; that there is strong demand for the product; and that it is priced to achieve at least the minimum required return on

investment. Therefore, builders frequently base their current and proposed products on what has been successful in the past.

Similar to our experience downtown, except for one large project proposed for the hills, new single family residential development came later to Hayward than to many surrounding cities. Although the cost of development (except for land) was the same in Hayward as in other places, the sales prices of new homes could be \$100,000 lower in Hayward, than in Fremont, for example. The price of land in Hayward has been lower than in surrounding areas, however, it was not low enough to give developers the same profit margin they received elsewhere. Beginning around 1997, as housing prices began to rise, residential developers began to be attracted to the Hayward market. Over the next three years there were more than 1,000 units were in the development process. The vast majority of these homes were standard single family detached units on 5,000 square foot lots or town home developments.

Land Use Controls: General Plan and Zoning Ordinance

The City's General Plan and Zoning Ordinance provide for a wide range of housing types and densities, ranging from one unit per net acre in the Hayward Hills to a maximum of 65 units per acre in the downtown. In addition, the City allows a density bonus for developments that qualify under State Law.

Hayward's new General Plan, adopted in 2002, will guide the City for the next twenty years through the Year 2025. During the update of the General Plan, the City paid particular attention to "smart growth" principles being promoted throughout the country. The term "smart growth" has been described as an approach that can resolve the problems endemic to urban sprawl. These include loss of open space and farmland, growing traffic congestion, absence of a sense of place, poor quality housing, crowded schools and air pollution resulting from auto dependence.

While there is no single definition of "smart growth" that everyone embraces, there are certain common elements. Typically, smart growth fosters development that revitalizes central cities and suburbs, supports and enhances public transit, and preserves open spaces and agricultural lands. Smart growth creates communities that are more livable by developing efficiently within the already built environment. Smart growth advocates argue that the problems of both the cities and the suburbs can be addressed through more infill development, more concentrated development and more redevelopment, especially in areas served by transit or close to major employment centers. The basic concept is to make more efficient use of existing developed areas so that the need to accommodate growth through unfettered expansion of developed area is minimized. The basic principles can be summarized as follows:

- Mix land uses
- Take advantage of compact building design
- Create a range of housing opportunities and choices
- Create walkable neighborhoods
- Foster distinctive, attractive communities with a strong sense of place
- Preserve open space, farmland, natural beauty, and critical environmental areas
- Strengthen and direct development towards existing communities
- Provide a variety of transportation choices

- Make development decisions predictable, fair and cost-effective
- Encourage community and stakeholder collaboration in development decisions

Hayward has already undertaken various planning efforts that serve to implement smart growth principles. Examples include: establishment of redevelopment areas to revitalize the Downtown as a major focal point of the city; participation in the Hayward Area Shoreline Planning Agency to plan for the protection of our bay shore; adoption of an Historic Preservation ordinance to protect historic sites and structures; and adoption of Urban Limit Lines to preserve the shoreline and the hills. This General Plan incorporates policies and strategies that will continue to encourage the use of smart growth principles in long-range planning and development over the coming twenty years. Such policies and strategies seek to reduce our dependence on the automobile, create walkable neighborhoods, make efficient use of remaining land, preserve open space, and foster distinctive neighborhoods with a sense of place.

The City encourages mixed-use development as a tool for increasing residential use of second story space in the downtown and in neighborhood commercial areas. As shown in the table below, Central City-Plaza, Central City Commercial and Neighborhood Commercial-Residential districts allow -- by right -- residential uses above first floor commercial development. Central City-Residential permits high-density multifamily housing (as much 65 units per acre). Commercial Office (CO) also permits medium density or high-density multifamily housing. Whether the density is high or medium depends on the General Plan designation for the geographic area.

To further stimulate the development of new housing, the City has recently adopted the Cannery Area Plan for the Burbank Neighborhood which is within the Redevelopment Area and adjacent to downtown. This is one of the oldest areas in Hayward and the plan is designed to revitalize the area. Approximately, 962 units of housing will be re-developed in this area; approximately 144 will be affordable for a term of 45 years -- 58 units for very low income and 86 units for low to moderate income households.

The City does have an Urban Limit Line (ULL) that preserves the shoreline and the hills from development. Along the shoreline, the land adjacent to and outside of the Urban Limit Line is in public ownership and a plan has been developed to restore its natural habitat. The hill area outside the ULL has never been considered for affordable housing because of its topographic and geologic constraints. The ULL, therefore, is not a constraint on the development of affordable housing.

The following table shows zoning densities next to the appropriate General Plan land use designation.

Table 5.43: Zoning Densities and General Plan Compatibility

<i>Residential Zoning</i>	<i>Zoning Defined ("B" symbolizes combining zone and following number references the lot size.)</i>	<i>Minimum Lot Size (Square Feet)</i>	<i>Density Per Net Acre</i>	<i>Comparable General Plan Land Use Designation</i>	<i>Defined</i>
RSB40	Single Family Residential	40,000	0.2-1.0	REDR	Rural Estate Development Residential
RSB20	Single Family Residential	20,000	1.0-4.3	SDR	Suburban Density Residential

Residential Zoning	Zoning Defined ("B" symbolizes combining zone and following number references the lot size.)	Minimum Lot Size (Square Feet)	Density Per Net Acre	Comparable General Plan Land Use Designation	Defined
RSB10	Single Family Residential	10,000	1.0-4.3	SDR	Suburban Density Residential
RSB8	Single Family Residential	8,000	4.3-8.7	LDR	Low Density Residential
RSB6	Single Family Residential	6,000	4.3-8.7	LDR	Low Density Residential
RS	Single Family Residential	5,000	4.3-8.7	LDR	Low Density Residential
RSB4	Single Family Residential	4,000	8.7-12.0	LMDR	Limited Medium Density Residential
RMB4	Medium Density Residential	4,000	8.7-12.0	LMDR	Limited Medium Density Residential
RMB3.5	Medium Density Residential	3,500	8.7-12.0	LMDR	Limited Medium Density Residential
MHP	Mobile Home Park	N/A	8.7-12.0	LMDR	Limited Medium Density Residential
RM	Medium Density Residential	2,500	8.7-17.4	MDR	Medium Density Residential
RH	High Density Residential	1,250	17.4-34.8	HDR	High Density Residential
RHB7	High Density Residential	750	17.4-34.8	HDR	High Density Residential
CC-C	Central City Commercial	None	30-65	HDR	Central City Commercial
CC-R	Central City Residential	None	25-50	HDR	Central City Residential
CC-P	Central City Plaza	Above 1 st Floor			Central City Plaza
CN-R	Neighborhood Commercial-Residential	Above 1 st Floor			Neighborhood Commercial-Residential
RO	Residential Office	5,000-5,914	Same as RM or RH		Residential Office

Source: City of Hayward, Department of Community and Economic Development, September 2001

Permitted Uses and Site Requirements

Table 5.44: Residential Development Standards by Zoning District

Zoning District	Permitted Uses		Conditionally Residential Permitted Uses		Density Units per acre	Yard Requirement in Feet			Height
	Primary	Secondary	Administrative	Conditional		Front	Side	Rear	
RS	Single-family dwelling Group home Day care home	Attached second dwelling unit. Second single-family dwelling	None	Large group home	7.0	20	5	20	30
RM	Multiple family dwellings Condominiums and Town homes Single-family dwelling Group home Day care home	Attached second dwelling unit Second single-family dwelling	Day care center	Large group home Boarding home Dormitory	7.0-14.0	20	5	20	40

Zoning District	Permitted Uses		Conditionally Residential Permitted Uses		Density <i>Units per acre</i>	Yard Requirement in Feet			Height
	Primary	Secondary	Administrative	Conditional		Front	Side	Rear	
RH	Multiple-family dwellings Additions to existing single-family dwelling Group home Day care home	Second dwelling unit attached to single family dwelling	Single-family dwelling Second single-family dwelling Day care center	Boarding home Dormitory Large group home	14.0-28.0	20	5	NA	40
RO	Boarding home Group home Multiple-family dwelling Single-family dwelling Day care home	Attached second dwelling unit Second single-family dwelling	None Day care center	Large group home	7.0-28.0 <i>Contingent on underlying General Plan or Neighborhood Plan</i>	10	5	20	40
MH	Mobile Homes	No residential uses	None			20	10	10	40
CN/ CN-R	Residential dwelling units (above first floor commercial uses only) Day care center	No residential uses	Multiple-family dwellings with ground level units	None	14-20	10	NA	20	40
CG	Residential dwelling units (above first floor commercial uses only)	No residential uses	Some commercial uses		14-20	10	NA	None	None
CC-C	Residential dwelling units(s) (above first floor commercial uses only) Single family dwelling	No residential uses	None	Multiple family dwellings – with dwelling units on the first floor	30-65	NA	5	NA	55' to 140'
CC-R	Artists loft Boarding home Group home Multiple-family dwellings Second family dwelling, attached Single-family dwelling	No residential uses	Boarding home	Large group home	25-50	NA	5	NA	NA
CO	Multiple family dwellings Group home	No residential uses	Boarding home, single-family dwelling, attached second dwelling unit, second single-family dwelling	Dormitory, fraternity or sorority house	14-20	10	10	20	40
CL	Residential dwelling units (above first floor commercial uses only)	No residential uses	No residential uses		14-20	20	10	20	40

Zoning District	Permitted Uses		Conditionally Residential Permitted Uses		Density <i>Units per acre</i>	Yard Requirement in Feet			
	Primary	Secondary	Administrative	Conditional		Front	Side	Rear	
CB	Residential dwelling units (above first floor commercial uses only)	No residential uses	No residential uses		14-20	10	10	NA	None
PD	Land uses permitted in any other district may be permitted in this District provided such use or uses are in harmony with each other and serve to fulfill the function of the planned unit development while complying with the General Plan, including any applicable neighborhood plan.								

Source: City of Hayward, Department of Community and Economic Development, November 2002

Site plan review is not required in RS, RM, or RH districts unless “the Planning Director determines that a project materially alters the appearance and character of the property or area or may be incompatible with City policies, standards, and guidelines.” Also, the Planning Director may waive the requirement for site plan review if the proposed project meets all design and performance standards. Waiving this requirement can reduce the application review process by between four to six weeks. The Planning Director does require site plan review when the scope of the project is such that the public should be aware of it and have an opportunity to have public input.

City staff encourage developers to think about project design and quality in new construction and acquisition and rehabilitation projects. Improvements in design do not have to be costly in order to be major improvements in habitability. In new construction, the location of lot lots and community space can determine whether that space is actually used by the tenant families. In rehabilitation, the placement and use of complementary colors can bring out existing features of buildings improving the appearance, making the site feel “like new” to existing tenants.

Staff encourage developers to use the Planned Development (PD) zoning for a creative or innovative project that may involve a mixture of uses or housing types or where the terrain or natural features of the property are such that make development difficult. The PD zone can provide flexibility in terms of site layout and encourages excellent design and enhanced site amenities.

Hayward’s Design Guidelines (Attachment XX) are reasonable and practical guides for site development. They were developed in the mid-1990s in response to:

- City Council’s desire to set standards for development and
- requests from developers who wanted to know what the City identified as important elements of design.

These guidelines are basic principles that most architects would naturally incorporate into their plans. Under Residential Development, the General Considerations section, begins with the following guidance:

“Residences are the most personal of all spaces to be designed. Because people’s preferences, needs and financial capabilities vary widely, it is generally desirable to offer

a wide range of housing choices in order to accommodate the City's residents in the most satisfactory ways."

These guidelines are basic and reasonable. They set a standard for well-balanced development, as shown in the following examples. "Architecture should respond to the characteristics of the site and adjoining homes to create a harmonious look for the area....One story transitional elements should be included where second stories are being added in predominantly single story neighborhoods" "As densities increase, care should be taken so that car uses do not dominate the site or the front elevations at the expense of the social functions of the street, aesthetics or open space."

The City has four Special Design Districts:

- The "B" Street Special Design Street Car District – This district has some of the oldest housing in Hayward. It consists of the five blocks of B Street from Grand Avenue west of City Hall. Architecture and materials shall be sympathetic to original Victorian, Colonial Revival, or Craftsman styles; for example, untrimmed openings, garish colors, and plywood siding are generally not acceptable.
- The Mission Corridor Special Design District – This district runs from Jackson Street along Mission Boulevard to Harder Road. The design theme for this district is Spanish ranch, compatible with the early history of Mission Boulevard as a connection between Spanish ranches and missions on the California coast. The theme is intended to support a friendly, neighborhood character with relatively low, spreading rooflines, warm earth textures and colors, and attractive exterior spaces for pedestrians, workers, and residents.
- The Cottage Special Design District – This district is the smallest special design district, one block in length, along Montgomery Street. This overlay district allows an historic pattern of small lot, single-family cottage development near town and transit which would otherwise be precluded by contemporary lot size, front setback, and parking requirements. Cottage development may utilize lesser lot sizes and parking requirements therein; other development may utilize lesser lot sizes and parking requirements of the underlying district, respecting the context of small-scale residential development in design and siting.
- The Cannery Special Design District -- The Design Plan envisions conversion of the industrial uses to commercial uses, residential uses, or mixed uses, as appropriate.

The B Street and Cottage districts are quite small and built-out. However, the Mission and Cannery Area districts are much larger, although there are fewer opportunities for development on Mission Boulevard than in the Cannery Area. Each area has a design plan or an overlay district intended to create a unifying theme to improve the overall appearance of that portion of the City and attract new businesses and residents. These special design districts have the potential to increase the cost of development within them, *if* the developer had not previously planned to build to the quality of construction and design inherent in the standards. However,

most developers do build to that standard in order to assure that their product will sell or lease quickly.

Site requirements such as front, side and rear yard setbacks and building heights and other design and performance standards are described in the Hayward Zoning Ordinance and shown above in Table 5.44. There are approximately a half-dozen different sections of the ordinance that address a variety of residential uses including single and multifamily homes, mixed-use commercial and residential uses and mobile homes. Each section defines; permitted uses, lot requirements, yard requirements, height limits, and minimum design and performance standards. These standards are typical for cities in Alameda County and are included as Attachment XX.

In conclusion, Hayward has reasonable development standards that are typical for communities in the East Bay and do not appear to pose a constraint to residential development.

Parking Requirements

It has been said that one way to obtain greater housing densities, without increasing the cost of construction, is by reducing parking requirements. Hayward has reduced the parking requirements for residential developments on a case-by-case basis where development has been adjacent to transit or is a senior or special needs project. Success has been mixed. In senior and special needs projects, few problems have been noted. In market-rate rental developments, the City has gotten many complaints from the adjoining neighborhood and from tenants in the development about the proliferation of vehicles. Although many tenants take public transportation to work, each tenant has his or her own vehicle. Since rents are high, it is not unusual for three single adults to inhabit a two or three bedroom unit. There are fewer complaints about ownership developments with reduced parking; perhaps because these households perceive themselves to be more permanent, they develop a lifestyle of taking public transportation to work and feel comfortable sharing a vehicle.

The following table presents the City's parking requirements for a variety of housing types. These requirements appear to be similar to other Bay Area cities and do not present a significant constraint on the production of housing.

Table 5.42: Parking Standards for Residential Development

Use	Parking Spaces Required
Single-family dwellings:	2.0 covered per dwelling unit
If a lot abuts a public or private street that has no parking lane on either side of the street or is posted for no parking on both sides of the street.	2.0 covered per dwelling unit plus 2.0 open per dwelling unit, which shall not block access to the covered parking.
If a dwelling with a single car garage was built prior to March 24, 1959.	1.0 covered per dwelling unit.
Multiple-family dwellings:	
Studio	1.0 covered and 0.50 open per dwelling unit

Use	Parking Spaces Required
One-bedroom	1.0 covered and 0.7 open per dwelling unit
Two or more bedrooms	1.0 covered and 1.10 open per dwelling unit
NOTE: Ten percent of the multiple family parking spaces required shall clearly be marked for visitor's parking, at least 70 percent of which shall accommodate standard size vehicles. Where less than 10 parking spaces are required, a minimum of one standard parking space shall clearly be marked for visitor's parking.	NOTE: Included in the rental cost, a minimum of one covered parking space shall be assigned to each studio and one-bedroom unit, and a minimum of one covered and one uncovered parking space shall be assigned to each two or more bedroom or more units. Assigned unused spaces may not be rented to any other party. Any uncovered space may be covered instead.
Mobile Homes	2.0 per mobile home space, plus 1.0 guest parking space per three mobile home spaces within a mobile home park.
Attached Second-Family Units (Granny Units)	No additional parking spaces are required for attached second-family units.

Source: City of Hayward Planning Division

Development Incentives

The City/Redevelopment Agency has used various techniques to achieve a diverse housing market – acquiring land and assembling parcels, providing gap financing, issuing multifamily mortgage revenue bonds, and “fast-tracking” development applications to encourage developers to build to maximum densities. The City’s CDBG and HOME funds have been used to develop rental housing for lower income households. The Low and Moderate Income Housing Fund of the Redevelopment Agency has been used to subsidize the cost of building apartment units for lower income households and for assisting moderate income households to become homeowners.

Infrastructure Capacity

Except for a few areas in the hills, infrastructure capacity is not a constraint to residential development in Hayward. There is sufficient capacity to serve all Hayward residents through 2025. The City of Hayward or private companies provide the following services:

Table 5.45: Municipal Services

Service	Provider
Water Service	City of Hayward, except for those areas annexed from the County that were and continue to be on East Bay Municipal Utility District water.
Sanitary Sewers	City of Hayward, except for annexed areas that were previously and continue to be served by other providers.
Storm Drainage	City of Hayward and, for certain areas annexed from the County, the Alameda

Service	Provider
	County Flood Control and Water Conservation District.
Telephone Service	Pacific Bell
Natural Gas/Electric	Pacific Gas and Electric
Garbage Service	Waste Management, Inc.
Recycling	Tri-Cities Economic Development doing business as (dba) CurbCycle.

Source: City of Hayward

Municipal and private services are available to all parcels within the City limits, with the exception of the unincorporated Alameda County portion of the Mt. Eden neighborhood. This area currently has its own water system and no sewer or storm drains. Current policies require that, for parcels be annexed to the City, the owners must have, build or contribute to a fund to build City standard water, sewer, and storm drain infrastructure, unless there is a health threat to existing residences confirmed by the County Health Department.

Site Improvement Requirements

In the mid-1990's, the City reviewed all development requirements with an eye toward simplifying and speeding the process. At that time, we discovered conflicts between the requirements of a number of departments. For example, Public Works Engineering and the Fire Department had conflicting requirements for street widths and emergency vehicle access. All conflicts have been resolved (with public safety as the highest priority) and the City has a single standard for infrastructure that is applied uniformly. Public Works Engineering staff works with applicants to identify the development requirements that apply to their projects.

The City of Hayward requires on-site infrastructure improvements to be constructed by the builder in accordance with City standards when a new residential project is approved. This includes the construction of interior road, street lighting, water, sewer, storm drainage, and utility systems. Completed improvements are typically dedicated to the City or privately maintained by a Homeowners Association. The City has not adopted any requirements above and beyond those authorized by the State Subdivision Map Act.

Site improvement requirements on small infill sites, where interior streets are not required, are usually minimal. Such projects typically include curb and gutter replacements, street tree planting and sidewalk repair.

The City's site improvement requirements do not pose a development constraint, since the conditions required by Hayward are no greater than conditions for like subdivisions throughout Alameda County.

Government Fees

Land development within the City of Hayward is subject to direct fees imposed by the City and fees from other government agencies that are collected by the City. City fees represent the cost

of staff activities in processing a development application and offsetting the capital expenditures needed to accommodate development. New housing is typically charged for site plan review fees, sewer and water connection fees, plan checking and building permit fees, park in-lieu fees, and school impact fees. If the development is a subdivision, there are additional fees for processing the tentative and final maps. In addition, the developer may have to pay the cost of preparing environmental reports, traffic studies, and soils reports.

Hayward has traditionally had permit processing and utility service hook-up fees that were about average when compared to surrounding cities. On July 5, 2003, Hayward's park dedication in-lieu fees will be increased to a level comparable with those charged by Fremont and Union City. Exempt from the park in lieu fees are:

- nonprofit owned, rental residential developments, with 30 year rent restrictions, whose tenants are at or below 60% of median income are exempt from paying the park in lieu fee;
- housing for the elderly or disabled that is owned or leased by a public agency; or
- ownership housing developed by a public agency or nonprofit agency affordable to first time homebuyers whose incomes are at or below 95% of area median income.

Appendix X contains a list of Hayward's major fees associated with new development.

Fees to construct a 2,500 square foot single-family home in Hayward total approximately \$39,953, which represents 9.9% of the average cost of a \$402,000 new home in January 2003 (BayEast Association of Realtors). If school fees were subtracted from the total, development fees would be \$29,353 or 7.3% of the average cost of a new home. In general, Hayward's fees are lower than those of Oakland, Berkeley, Fremont, Livermore, Pleasanton, and Union City.

Fees to construct a multifamily development comprised of 50 units would total approximately \$1,091,650, if each unit were 1,000 square feet. These fees are 7.3% of a \$15 million dollar project. These fees include school fees, collected for the Hayward Unified School District or the New Haven School District, and park dedication fees. As noted in the single-family example, Hayward's fees are lower than those of Oakland, Berkeley, Fremont, Livermore, Pleasanton, and Union City. If the development meets one of the criteria for exemption, total fees are \$724,000 or about 5.5% of total development cost.

For multifamily development, fees of 7.3% do not represent a significant impediment to development. For single family development, fees represent a slightly larger percentage of the cost of an individual unit. However, when school fees are subtracted, the remaining fees total approximately 7.3% of total development costs. Due to the economy and the restrictions California cities face in raising revenues, it is financially infeasible to waive government fees for development, particularly since residential development frequently does not generate enough tax revenue to pay for the service costs it engenders.

Whether a housing development is affordable or market rate, the impacts are quite similar. The City does not waive fees for affordable housing (except a partial fee waiver for the park in-lieu fee) since there are real impacts to be mitigated. If the fees create all or part of a financing gap, then City policy has been to provide the appropriate amount of CDBG, HOME, or Low/Mod funds to bridge that gap.

Processing Time

The City of Hayward has a “one stop” permit processing center where an applicant can obtain information and feedback on plans from planners, plan checkers, and engineers. Handouts, that describe requirements, time sequence, and checklists for all phases and types of development, are available to the public. Land use and zoning maps are displayed in the center and there is a separate self-serve area for the public to use when researching land uses.

The residential development process is comprised of a number of stages. Stages in the planning process may include: obtaining appropriate zoning, approval of parcel or subdivision map, site plan review, and environmental reviews. State law governs the processing time for planning applications, although the applicant can waive these time limits. The length of processing time also depends upon the knowledge, expertise, and ability of the development team; their ability to prepare plans in accordance with City requirements; to make timely submissions (and re-submissions); and to revise plans based on feedback received. Site plan review can take from 30 days to six months, depending upon the complexity of the project and the responsiveness and timeliness of the applicant’s development team; the average time from application to approval is three months.

The following is a brief summary of the planning approvals process

1. The applicant makes an appointment with a Planning Division staff member to determine which regulations apply to their project and what materials they need to prepare.
2. The City encourages pre-application meetings for larger projects so that the developer and architect learn, in advance of application submission, all the items that City staff will be looking at when the application is submitted. At the request of the applicant, or if a Planning staff member determines it would be helpful, a pre-application meeting will be set up for the applicant with staff members from other departments in attendance as appropriate. Developers are given copies of the City’s design guidelines and other requirements that may impact the project. In many cases, the development review process is shortened by the information provided to developers at these meetings.
3. The applicant submits a completed application, filing fee and required materials to the Planning Division.
4. The Planning Division reviews the application to insure it contains adequate information. If a public hearing is necessary, the Division staff will prepare a report analyzing the project for the Planning Commission.
5. Copies of the development application are referred to affected departments and other agencies for comment. Upon receipt of responses, the project planner will contact the applicant if new or additional information or revised plans need to be submitted. To speed the review process, the City utilizes parallel processing where staff members from various departments review the application simultaneously and then meet together to discuss any concerns about the application.
6. After the application has been reviewed by staff and the developer has submitted revised plans, if necessary, the appropriate approving authority acts it on. In the mid-1990’s, Hayward

speeded up its approval processes by combining the Board of Zoning Adjustments with the Planning Commission and by allowing the Planning Director to approve development applications. When all City design requirements are met, the Planning Director may approve the application. If the project is large or controversial and needs more public input, or requires a conditional use permit, the Planning Director will refer the project to the Planning Commission for decision. The decision of the Planning Director or the Planning Commission is final, subject to conformance with the conditions of approval, unless appealed within 15 days of the Planning Director's decision to the Planning Commission or within 10 days of the Planning Commission's decision to City Council.

7. The applicant applies for a building permit following approval of the application by the Planning Director or Planning Commission.

The following table presents the City's current processing times for single-family and multifamily building permits.

Table 5.46: Building Permit Processing Time

Application Action	# Working Days
Application submittal to first punchlist provided to developer.	25
Resubmittal of application for corrections to items on first punchlist.	10
Plans for model homes in subdivisions.	10

Source: City of Hayward Building Department

As mentioned above, in 1995, the City began conducting Pre-Application and Code Assistance meetings, to assist developers in preparing applications that meet City guidelines and can be processed quickly. When staff learns of a large or complex project, the developer and professional consultants such as architects and engineers are encouraged to meet with staff to describe the project and obtain feedback from planning, building, fire, traffic, engineering, utilities, and any other staff who may be likely to work on the project. This way the developer is able to meet those likely to work on his project and learn about the City's experience with and requirements for projects of this type; staff learns about the proposed project in the pipeline and so has some familiarity with it when reviewing plans.

At these meetings representatives from each department discuss the codes and other regulations that pertain to the proposed project and make suggestions that, if accepted by the developer, can reduce application processing time and may, subsequently, reduce development costs. Feedback from developers has been very favorable about the utility of Pre-Application meetings and subsequent Code Assistance meetings (more detailed follow-up with fire, hazardous materials, and building) and improvements in processing time and activities.

For several years, the City Manager has chaired a monthly development process policy group composed of the Planning Director, the Fire Chief and Fire Marshal, the Public Works Director, Technology Services Director and the Building Official to continually streamline and improve the development process.

Due to improvements in the City's development process, the processing of residential applications does not appear to be a constraint to the provision of housing.

Building Codes

The City of Hayward, as have many California cities, has adopted the Uniform Building, Plumbing, and Mechanical Codes and the National Electric Code with a few amendments such as the requirement for Class C (or better) fire-retardant roofing in the urban/wildland interface area east of Mission Boulevard. The State of California triennially reviews the Uniform Codes. Hearings are conducted at The State Building Standards Commission and local building departments are mandated to enforce the State adopted codes at the local level. In turn, every three years the Hayward City Council reviews and adopts the State revisions to the Uniform Codes, which govern all building construction in the City. Local jurisdictions are allowed to make reasonable amendments, with express findings, that such modifications or changes are necessary because of local climatic, geological or topographical conditions. As a result of the East Bay Hills fire in the mid-1990s, Hayward amended the Fire Code to require single family homes located in the urban/wildland interface area, to have sprinkler systems. Although this increases the cost of the home, it decreases the cost of insurance and ensures that the home will be protected as much as possible in the event of fire.

In 1999, the Hayward City Council reviewed and adopted as amended, the 1997 editions of the Uniform Building Code, Fire Code, Mechanical Code, Housing Code, Plumbing Code and the 1996 edition of the National Electrical Code. Ordinances adopting the above editions of the Codes and any City amendments were approved by the City Council on October 8, 2002.

Changes to the Building Code were to administrative procedures and material standards. The majority of these changes were administrative in nature and will not impact the time required for City staff to review and process proposed projects or increase the cost of the production of housing.

City staff actively participated in the Bay Area Tri-Chapter Uniform Code Adoption Committee, which represents Building Officials from the East Bay, Peninsula and Monterey area. The Committee has unanimously recommended that the most recent American Institute of Steel Construction requirements be adopted as a local amendment to the 1997 edition of the Building Code. Staff, therefore, recommended that the revised AISC standards be included in the Hayward amendments to the Building Code. Fremont, San Leandro and Union City have also adopted these updated standards as local amendments to the Building Code. Adoption by all East Bay jurisdictions will provide consistency of requirements locally.

- Electrical Code: All Electrical Code changes were administrative in nature or carry forward previously adopted amendments.
- Mechanical Code: Amendments to the City's Mechanical Code were primarily administrative in nature. In past years, the Mechanical Code was more restrictive on the

use of flexible gas lines than was the Plumbing Code. This year, the Mechanical and Plumbing Codes were conformed. Now, both the Plumbing Code and the Mechanical Code allow for flexible corrugated stainless steel tubing (CSST), as adopted by the State. This product has proven to be an excellent product in areas with high seismic activity, and is especially useful in retrofit applications.

- Plumbing Code: Hayward prohibits the use of plastic (PVC) pipe for drain waste and other interior plumbing systems. This used to be a relatively common requirement by California cities although, more recently, a number of cities have dropped this requirement. While forbidding the use of PVC represents an additional cost to the builder, the plumbing systems may be more durable and long-lasting.
- Housing Code: All Housing Code changes were administrative in nature.
- Fire Code: All Fire Code Changes were administrative in nature.

Except for the requirement for fire sprinklers, the City's building code requirements do not adversely impact the cost of construction. The requirements address basic health and safety considerations. The requirement for fire sprinklers is a life safety requirement for residences in the Hayward Hills due to the high fire danger.

Constraints on the Development of Housing for Persons with Disabilities

Effective January 1, 2002, State Housing Element law was amended to include a requirement that jurisdictions provide additional analysis about constraints on the provision of housing for persons with disabilities. Specifically, the Housing Element must demonstrate local efforts to remove governmental constraints that hinder the City from meeting the need for housing for persons with disabilities and must include programs that remove constraints or provide reasonable accommodations for housing designed for persons with disabilities. This section will discuss governmental constraints and Appendix I – Description of Housing Programs lists specific City efforts to assist persons with disabilities.

The City of Hayward has no zoning or land use ordinances that impede the development of housing for people with disabilities. The City has actively supported the development of housing for disabled persons. Hayward has a long history of participating with other jurisdictions in Alameda County and with Eden Housing, Inc. and Community Resources for Independent Living (CRIL) in jointly funding projects that serve Hayward residents. In addition to providing low interest, long term loans to Eden Housing and to Allied Housing to develop housing for disabled households (e.g., the 26 unit Olive Tree Plaza and the 21 unit E.C. Magnolia Court), the City has provided funding to the following programs:

- Community Resources for Independent Living (CRIL, an independent living center for the disabled) for both the housing and the independent living programs;
- Deaf Counseling, Referral and Advocacy (DCRA) for safety modifications to Deaf House for the hearing impaired;

- Housing Opportunities for People with Aids (HOPWA) program (operated by the County) for which the City does accessibility modifications to remove architectural barriers;

The City operates an active grant program to make accessibility repairs to rental and owner-occupied residential units. This program increases the availability of accessible housing stock throughout the City. The City offers an accessibility grant to investor owners who make units accessible to disabled tenants and to low income homeowners who need to make accessibility modifications for themselves or a disabled household member. The program provides assistance to those who meet the following criteria:

- The residential property must be in the City of Hayward.
- The unit must be occupied by a disabled person.
- If rental property, the owner must agree to execute a five (5) year affirmative marketing and rental agreement with the City of Hayward prior to the issuance of a grant. This agreement requires the owner to rent the unit(s) made accessible to disabled persons (when this is possible), and to affirmatively market the unit, when vacated, to disabled persons for five years after completion of the modifications.

Funds provided through this program may be used for services and materials required to make the dwelling accessible to a disabled person. Both structural and non-structural modifications for accessibility are permitted. Where financially feasible, modifications will follow the California Disabled Accessibility Guidebook (CalDAG).

As noted above, the City works with CRIL to market the City's accessibility modifications program to provide assistance to those most in need. In addition, the City has awarded funds to assist in the construction of a long-term care facility, primarily for deaf seniors in Fremont and a supportive housing project, operated by Allied Housing, in Castro Valley.

The City is strongly committed to encouraging all people, including people with disabilities, to participate in the public process and provides accommodations in compliance with the Americans with Disabilities Act of 1990.

Table 5.36: Housing Developments Accessible to Persons with Disabilities

Housing Development	Address	Description
Cypress Glen	25100 Cypress Avenue (at Austin Street)	1,2,3 Bedrooms 27 Very Low Income Units 27 Low Income Units 4 1-BR adaptable units
E.C. Magnolia Court	22880 Watkins Street (at Willis Street)	1,2 Bedrooms 21 Very Low Income Units 21 accessible / adaptable units
Barrington Hills	655 Tennyson Road (at Mission Blvd)	1,2 Bedrooms 38 Low Income Units 150 Market Units 8 2-BR adaptable units

Housing Development	Address	Description
Huntwood Commons	263-291 W Tennyson Rd (at Huntwood Avenue)	1,2,3 Bedrooms 20 Very Low Income Units 20 Low Income Units 8 2-BR adaptable units
Huntwood Terrace	29200 Huntwood Ave (at Folsom Avenue)	1,2,3 Bedrooms 26 Low Income Units 78 Market Units 2 1-BR adaptable units
Olive Tree Plaza	671 West A Street	1,2 Bedrooms 25 Very Low Income Units All adaptable
Waterford Apartments	25800 Industrial Blvd (at Depot Road)	1,2 Bedrooms 109 Low Income Units 435 Market Units 6 1-BR adaptable units

A special section was added to the Zoning Code to specify that the City supports and encourages compliance with the federal Americans with Disabilities Act (ADA) and that the provisions of the Zoning Ordinance do not preclude making reasonable accommodations for persons with disabilities. In addition, Building Plan Checkers review development plans to ensure, among other items, that new developments meet the requirements of Title 24, Chapter 11, Volume 1 of the California Building Code. Existing Residential Development: Major changes to residential, commercial or industrial buildings are subject to review by the Planning and Building Departments. During the plan check process for Building Code compliance, Plan Checkers review plans in order for a building permit to be issued. During this review process, Plan Checkers check for Title 24 compliance. Plan checkers also review commercial buildings for disabled access to ensure that people with disabilities who live in Hayward can dine and shop here as well

Currently, there are no governmental constraints to the production of housing that is accessible for persons with disabilities. Additionally, for existing dwelling units that may have architectural barriers to accessibility, the City will continue to operate its residential rehabilitation programs to remove those barriers.

Non-Governmental Constraints

The primary non-governmental constraint to the production of housing is the cost of housing production. There are a number of costs associated with the development of housing: land, site improvements, construction costs, financing, sales and marketing.

Cost of Land

Although the cost of residential land in Hayward has typically been lower than in surrounding cities, the intense development demand of the late 1990s has increased the price of vacant land

substantially. According to recent appraisals, the cost of vacant and underutilized land in Hayward is between \$20-\$30 per square foot; land zoned for medium or high-density housing is generally more expensive.

Since Hayward is almost “built-out,” there are no longer a large quantity of vacant parcels available for residential development. The cost to clear an acre of land for redevelopment significantly increases the cost of development, as do the City policies requiring relocation and replacement of low income housing. Depending on the existing improvements that must be removed, the total cost to acquire parcel(s), relocate occupants, and possibly mitigate hazardous materials can be quite expensive. This can pose a problem for development if Hayward rents or sales prices cannot support the higher cost development.

Public Opinion

Recent public opinion regarding the need for and development of new affordable housing in Hayward has been relatively positive. This is due to the fact that many churches in the Hayward area have urged their members to support affordable housing and the recognition that many hard-working families are in need of affordable housing. Congregations Organizing for Renewal (COR) and the Hayward Coalition for Affordable Housing (HCAH) have organized lower and middle income Hayward residents and nonprofit social services agencies in support of programs that improve the quality of existing rental housing and the construction new rental housing. The key to acceptable developments is good design and full day or after-school child care on the premises.

This is a significant change from the attitudes of Hayward residents in the 1990’s. The poor quality of design and construction that characterized high density rental housing built in lower income areas during the 1960’s and 70’s, caused many Hayward residents to voice opinions that were against the development of rental housing. Tenants, particularly poor tenant households on federal or state assistance, were seen as a source of neighborhood instability.

Since Hayward had lower rents and home prices than adjoining cities, it was seen as one of the most affordable areas in the East Bay. This contributed to the generalized belief that there was sufficient affordable rental housing in Hayward and that the greatest housing gap was housing for professionals and managers. The 1990’s were a time when the City worked to increase the amount of upper income housing in order to have a better balanced local economy.

Environmental Constraints

Seismic

Hayward is located in a seismically active area. The Hayward Fault runs through the City near Mission Boulevard and along the base of the hills. Liquefaction hazards exist in some areas of the City. In the Alquist-Priolo Special Studies Zone, which extends 100 feet on either side from known fault traces, geologic hazard investigations are required before development can be approved. Appendix XX contains a map showing the location of the Hayward Fault. As can be seen, the Fault runs through the Hayward Hills. Construction in or near the Fault requires more expansive and expensive engineering than in other areas of Hayward, increasing the cost of

development, particularly for multistory buildings. However, none of the vacant or underutilized sites listed in the Land Inventory are in the Alquist-Priolo Special Studies Zones.

Flooding

Very little new development in Hayward is located in a flood plain. If located in a flood plain, appropriate mitigations must be implemented so that the site meets applicable FEMA standards before the development can be constructed. None of the vacant or underutilized sites listed in the Land Inventory require mitigations, except those in the South of 92 Specific Plan area. Prior to development occurring, mitigations were made (per the EIR) to meet FEMA requirements for residential construction.

Hazardous Materials

The presence of hazardous materials in the soil and/or groundwater is another potential development constraint. Hazardous materials investigations are required prior to site development and remediation measures must be implemented where necessary. This will increase the cost of development and, more importantly, the length of time from acquisition to project completion. There are a number of ways to remediate hazardous materials, depending upon their type; however, some of the least expensive ways, for example to remediate petroleum products, take time. Since time is a critical component of development, the presence of hazardous materials on a site is a constraint to development. In the Redevelopment Area, the Agency can facilitate the remediation process. None of the parcels listed on the vacant Land Inventory have hazardous materials contamination. Parcels on the Inventory of Sites with Redevelopment Potential may have some hazardous materials contamination that require remediation activities; however, information to date indicates that there is nothing that would preclude residential development.

The City of Hayward Fire Department has had a Hazardous Materials Office since 1984. The Office inspects and regulates all hazardous materials/waste use and storage facilities within the City. In addition, that Office enforces the Hazardous Materials Storage Ordinance for the City and is the designated Certified Unified Program Agency for the Hayward area. This Office also identifies contaminated sites and works with various agencies including California Regional Water Quality Board and the state Department of Toxic Substance Control to investigate, clean-up and close these sites.

Approximately two thirds of the contaminated sites identified in Hayward have been cleaned up and closed. There are approximately 125 sites with underground storage tanks in Hayward that are in the process of clean-up; of those many are gasoline stations or tanks in the industrial area that were used to service trucks. There are approximately 40 non-underground storage tank sites; all of which are in industrial or commercial areas. Outside of the Redevelopment Area, there are no contaminated sites in the vacant and underutilized land inventory. In the Redevelopment Area, there are some site contamination issues. The state of the art of dealing with sites that have hazardous materials problems has progressed greatly in the past ten years. The Redevelopment Agency is undertaking further analysis to determine the type of hazardous materials problems, the extent of the problems and the remediation activities required for clean-up. However, it does not appear that any of these would preclude housing development.

Construction Costs

The costs of construction materials and labor for new residential development appear to be fairly consistent across the Bay Area. In general, the average cost is between \$100 and \$150 per square foot, depending upon economies of scale, materials and methods used, and the type of labor employed. Given the same construction type, these costs are uniform throughout Alameda, Contra Costa, San Mateo and Santa Clara Counties and likely higher in San Francisco and Marin.

Financing Availability

For-profit residential developers have not reported problems financing new residential development in Hayward. Financing is available from a variety of sources including financial institutions, insurance companies, and pension plans (such as CalPERS). The Federal Reserve continues to maintain low interest rates in response to the decline in the U.S. economy. However, if funds for new housing developments become more expensive or more difficult to access then financing may become more of a problem. Non-profit developers have reported some problems obtaining financing; however, with the passage of Proposition 46, this problem should ease.

The Cost of Producing Affordable Housing

Eden Housing, Inc., a large nonprofit housing developer based in Hayward, reports that it currently costs between \$230,000 - \$240,000 per three bedroom apartment unit to develop affordable family projects and, somewhat less, about \$140,000 per unit in multifamily developments for seniors, since the unit square footage is about half that of larger family units. A newly constructed single-family, owner-occupied three bedroom, two bath home on a small, in-fill lot can cost approximately \$280,000 - \$300,000 to develop depending on the cost of the land and the quality of design and construction.

In order to be financially feasible and permanently affordable for lower income, particularly very low-and extremely low income households, affordable multi-family rental residential projects require a number of financing sources. At a minimum, the financing includes:

- A first mortgage from a lending institution;
- Low Income Housing Tax Credits and or tax exempt mortgage bonds;
- Redevelopment Agency Low and Moderate Income Housing Fund monies;
- Community Development Block Grant and/or HOME Investment Partnership funds;
- State of California Multifamily Loan Program funds and/or a loan from the California Housing Finance Agency.

Financing may also include an Affordable Housing Program (AHP) grant, a Supportive Housing Program (SHP) grant, a bridge loan from a private or public lender or a foundation grant.

Depending upon the financing structure used, a multifamily development with rents affordable to families with incomes no more than 60% of median income (\$46,000 for a household of four) will have a gap between the revenue generated by rent and the debt service that is \$25,000 to \$50,000 per unit. Typically, this gap is filled by City and state subsidies.

The housing needs section of the Housing Element has two examples of the affordability gap lower income households face in obtaining ownership housing.

Preservation of Affordable Housing Projects

This section presents an analysis of existing housing developments in the City of Hayward that have units with rent restrictions that are set to expire within the next 10 years due to termination of subsidy contracts, mortgage prepayment, or expiration of restrictions on use. "Assisted housing developments," typically include multifamily rental housing that has received governmental assistance federal, state or local funding programs.

Rent-Restricted Units "At Risk" of Converting to Market Rate

More than two-dozen multi-family developments in Hayward have income-restricted units. There are ten of these complexes with affordability restrictions set to expire during the term of this plan. The following table identifies and describes each of these complexes.

Table 5.43: Assisted Housing At Risk of Conversion to Market Rate

Project Name and Address	Government Assistance	Affordability Expiration	Total Units	Rent-Restricted Units		Conversion Risk	Notes
				Elderly	Non-Elderly		
Hayward Villa 27424 Tampa Ave.	HUD 221D Loan and project-based Section 8	2005	78	78		NA	Topa Management in So Cal 1800 Avenue of the Stars Ste. 1400 Los Angeles, CA 90067 (310)203-9199
Clarendon Hills 700 Alquire Pkwy.	Mortgage Revenue Bonds	2003	285		57	High	The Owner has indicated that the rent-restricted units will convert to market rate at the end of the affordability period.
Montgomery Plaza 21659 Montgomery St.	HUD 221D Loan and project-based Section 8	2004	50	50		Very Low	The owner has indicated they will continue to participate in the Section 8 program as long as funding is available.
Summerwood Apts. 21701 Foothill Blvd.	GNMA/CDBG /221d4	2003	162	0	32	Very Low	City has talked with owner. affordability restrictions will continue as long as Section 8 is available.
Sycamore Square C St. & Valle Vista	HUD 221D Loan and project-based Section 8	2004	26	0	26	None	Owned by Eden Housing, Inc. a non-profit affordable housing developer.
Eden Issei Terrace	202/Sec.8/CD	2005	100	100	0	None	Owned by Eden Housing,

Project Name and Address	Government Assistance	Affordability Expiration	Total Units	Rent-Restricted Units		Conversion Risk	Notes
				Elderly	Non-Elderly		
200 Fagundes Court	BG						Inc. a non-profit affordable housing developer.
Olive Tree Plaza 671 W. A St.	202/Sec.8/CD BG	2006	26	0	26	None	Owned by Eden Housing, Inc. a non-profit affordable housing developer.

Source: City of Hayward Neighborhood and Economic Development Division

Replacement and Preservation Costs for Assisted Housing

State law requires that the City of Hayward provide an estimate of the total cost of producing new rental housing that is comparable in size and rent levels, to replace the units that could change from low-income use during the period covered by the Housing Element. The City must also present an estimated cost of preserving the assisted housing developments. Analysis of the ten developments with affordability restrictions set to expire in the next ten years indicates that few of the complex owners will elect to terminate these agreements. Therefore, it is difficult to estimate the cost to replace and/or preserve these units.

Based on the most recent affordable housing developments completed in Hayward, it would cost between \$230,000 to \$240,000 per unit to construct a new project comparable to existing affordable complexes. This estimate includes land acquisition, financing, and construction costs. Using this estimate, it would cost approximately \$ 13,680,000 to replace the 57 units for very low income households that will be lost when Clarendon Hills' rent restrictions expire in December 2003.

Another factor that complicates estimating the preservation of rent-restricted complexes is that it is difficult to predict the behavior of the real estate market. This value is influenced by market demand for rental properties. Recently, a local non-profit housing developer, who was a general partner in an affordable rental complex, bought out their limited partner(s). The complex featured a mix of market-rate and rent-restricted units. The buy-out cost equaled the original development cost due to the value of the market-rate units.

Resources for Preserving At-Risk Units

The following public and private nonprofit corporations are known by the City of Hayward to have development and managerial capacity to acquire and manage rent-restricted housing developments at risk of converting to market rate:

- Eden Housing, Inc.
- Mid-Peninsula Housing Corporation
- Alameda County Public Housing Authority (to provide Section 8 Vouchers for tenants)

The City of Hayward is willing to work with other qualified organizations that have the capacity to preserve and maintain affordable housing developments in Hayward.

The following table identifies federal, state, and local financing and subsidy programs that may be used to finance the preservation of assisted housing developments.

Table 5.44: Funding Sources for Affordable Housing Development

Resource	Rehabilitation	Acquisition	New Construction	Homebuyer Assistance	Rental Assistance	Homeless Assistance
<i>Federal</i>						
CDBG	✓	✓	✓			
HOME	✓	✓	✓	✓	✓	
McKinney Act	✓	✓				✓
Supportive Housing Program	✓					✓
Section 8 Rental Assistance Program					✓	
Low-Income Housing Preservation Program		✓				
Affordable Housing Program						
Mortgage Revenue Bonds	✓	✓	✓	✓		
<i>State</i>						
Tax Credits	✓	✓	✓			
California Housing Finance Agency	✓	✓	✓			
Housing and Community Development Department	✓	✓	✓	✓		
<i>Local</i>						
Redevelopment Housing Funds	✓	✓	✓	✓		
Alameda County Housing Authority					✓	
<i>Private</i>						
Community Reinvestment Act	✓	✓	✓	✓		
Banks and Savings and Loans	✓	✓	✓	✓		

Source: City of Hayward Neighborhood and Economic Development Department

Regional Housing Needs Determination

The number of units allocated to the City by the ABAG Regional Housing Needs Determination process is shown in the table below.

Table 5.45: ABAG Regional Housing Needs Determination: 1999-2006

Total Projected Need	Very Low	Low	Moderate	Above Moderate
2,835	625	344	834	1,032

Land Available to meet the Regional Housing Needs Analysis

As discussed previously, sufficient land, zoned at appropriate densities, exists in Hayward to accommodate the ABAG Regional Housing Needs Determination allocation for Hayward. In addition to vacant acreage zoned for residential development, Redevelopment Areas such as the Hunt's Cannery Area have been studied and rezoned from Industrial to High Density Residential to increase the amount of land available at densities appropriate for residential development. Appendix E contains the inventories of vacant residential land and sites suitable for residential redevelopment.

To date, within the planning period, building permits have been issued for 655 detached single family homes and 340 multifamily units.

TABLE 5-46: UNITS FOR WHICH BUILDING PERMITS WERE ISSUED DURING PLANNING PERIOD

Year	Single Family	Multifamily	Total
1999	235	160	395
2000	256	0	256
2001	96	97	193
2002	68	83	151
Total	655	340	995

Source: City of Hayward Building Inspection Division 2003

The 665 permits for detached single family units will help meet the above moderate-income housing need and the 340 permits for multifamily units correspond to units which will help meet the moderate-income housing need. As a result, the remaining housing need for moderate-income housing is 494 units and the remaining need for above moderate housing is 377 units. The following tables depict the City's Vacant Land Inventory and inventory of land that could be redeveloped.

TABLE 5-47 VACANT LAND INVENTORY

Please Note: The numbers listed in shaded italics are the number of dwelling units per acre for each zoning designation at the minimum, average and maximum densities. Only vacant parcels of at least one acre were used in this calculating the acreages for medium and high density zoning designations. Housing Potential equals the number of units times the Net Acres column (which is 80% of Gross Acres to allow for infrastructure). The units in **Bold Type** are shown in Table 5.49 that follows.

Zoning	Vacant Land		Housing Potential		
	Gross Acres	Net Acres	Minimum	Average	Maximum
RSB20	3.52	2.82	<i>1.0</i>	<i>2.7</i>	<i>4.3</i>
			3	8	12
			<i>1.0</i>	<i>2.7</i>	<i>4.3</i>
RSB10	9.53	7.62	7	21	33
			<i>4.3</i>	<i>5.0</i>	<i>5.3</i>
			<i>4.3</i>	<i>5.0</i>	<i>5.3</i>
RSB8	19.40	15.52	67	78	82
			<i>4.3</i>	<i>6.5</i>	<i>7.0</i>
			<i>4.3</i>	<i>6.5</i>	<i>7.0</i>
RSB6	29.92	23.94	101	156	168
			<i>8.7</i>	<i>10.0</i>	<i>12.0</i>
			<i>8.7</i>	<i>10.0</i>	<i>12.0</i>
RSB4	0	0	0	0	0
			0	0	0
			0	0	0
Total of RSB Zones	62.37	49.90	178	263	295
RS	62.53	50.00	<i>4.3</i>	<i>6.5</i>	<i>8.7</i>
			215	325	435
			<i>4.3</i>	<i>6.5</i>	<i>8.7</i>
Total Single Family	124.90	99.90	393	588	730
RMB3.5	19.69	15.76	<i>8.7</i>	<i>10.4</i>	<i>12.0</i>
			145	150	156
			<i>8.7</i>	<i>13.1</i>	<i>17.4</i>
RM	2.66	2.12	18	28	37
			18	28	37
			18	28	37
RM/PD	8.78	7.03	122	122	122
			<i>8.7</i>	<i>13.1</i>	<i>17.4</i>
			<i>8.7</i>	<i>13.1</i>	<i>17.4</i>
CN	6.37	5.10	44	67	89
			44	67	89
			44	67	89
Total Medium Density	37.50	30.01	329	367	404
RH	3.01	2.41	<i>17.4</i>	<i>26.1</i>	<i>34.8</i>
			42	63	84
			<i>17.4</i>	<i>26.1</i>	<i>34.8</i>
CC-R/PD	1.89	1.52	46	46	46
			46	46	46
			46	46	46
PD	14.01	11.20	124	124	124
			<i>30.0</i>	<i>47.5</i>	<i>65.0</i>
			<i>30.0</i>	<i>47.5</i>	<i>65.0</i>
CC-C	1.90	1.50	46	73	100
			46	73	100
			46	73	100
Total High Density	20.81	16.63	258	306	354

Source: Win2Data; City of Hayward Department of Community and Economic Development

TABLE 5-48 INVENTORY OF LAND ZONED TO ALLOW RESIDENTIAL DEVELOPMENT THAT COULD BE REDEVELOPED

Zoning	Vacant Land		Housing Potential		
	Gross Acres	Net Acres	Minimum	Average	Maximum
RSB20	7.80	6.24	1.0	2.7	4.3
			6	17	27
RSB10	6.83	5.47	1.0	2.7	4.3
			5	15	24
RSB8	0	0	4.3	5.0	5.3
			0	0	0
RSB6	12.32	9.86	4.3	6.5	7.0
			41	64	69
RSB4	1.74	1.39	8.7	10.0	12.0
			12	14	17
Total of RSB Zones	28.23	22.44	64	110	137
RS	28.23	22.44	4.3	6.5	8.7
			97	146	195
Total Single Family	56.92	45.40	161	256	332
RMB3.5	1.17	.94	8.7	10.4	12.0
			4	6	8
RM/CN	4.53	3.62	8.7	13.1	17.4
			32	47	79
RM/PD	0	0	0	0	0
			10	12	15
CANNERY*	9.00	7.20	52	87	102
Total Medium Density	14.70	11.76	88	140	189
CANNERY*	42.80	34.24	20	25	30
			577	832	860
RHSD2	0	0	17.4	26.1	34.8
			0	0	0
RH	20.13	16.10	17.4	26.1	34.8
			280	420	560
CC-C	0	0	25	37.5	50
			0	0	0
Total High Density	62.93	50.34	857	1,252	1,420

Source: Win2Data; City of Hayward Department of Community and Economic Development

(*Units/acre are per Plan)

The Table 5-47 above shows that there are 183.21 acres of vacant residentially-zoned land in the City of Hayward. The general rule of thumb is that 75%-80% of an acre is the portion that can actually be developed as housing. Because Hayward is mostly “built-out” with infrastructure and services throughout the city, the 80% figure has been used to calculate housing development potential. The remaining 20% of each acre is set aside for interior streets and other infrastructure typical of residential development.

A review of recent residential developments shows that single family detached homes and the City’s two most recent multifamily rental developments have been built to the maximum density allowed for their zoning designations. Recent developments built under medium density zoning were built between the average and the maximum number of dwelling units per acre. Therefore, in the table that follows, maximum density is utilized for calculating the potential number of residential units affordable to above moderate-income households. The average density is utilized in the number of units affordable to moderate income households. Although projects have been built to maximum density, the average density has also been used to calculate the number of units affordable to low and very low income households, since it is not possible to ensure that every parcel is built to the maximum density.

In determining which Single Family (RS) units were affordable to above moderate-income households and which units should be attributed to moderate-income households, all units in the single family category with parcels larger than 5,000 square feet per unit were categorized as affordable to above moderate income households; single family parcels at or below 5,000 square feet were categorized as affordable to moderate income households. The City assists these households through the First Time Homebuyer Program that provides financial assistance up to \$20,000 for down payment and closing costs.

Residentially-zoned land with additional capacity are sites within the City that have potential for redevelopment. Again, 80% of each acre in the inventory has been utilized to calculate the net income on which the number of units has been calculated at minimum, average, and maximum. Table 5-48 includes areas that have been rezoned from Industrial to residential (medium and high density) as the result of the Cannery Area Design Plan as well as other residentially zoned parcels located near or along major arterials.

TABLE 5-49: Housing Development Potential of Residentially Zoned Land

(Please note: numbers represent number of units)

	Total	Very Low	Low	Moderate	Above Moderate
Building Permits To Date	995	0	0	340	655
Vacant Land Inventory	1,398	306	367	435	290
Residentially-zoned Land That Could Be Redeveloped		1,252	140	195	137
Total Housing Potential In Planning Period		1,558	507	970	1,082

Source: Department of Community and Economic Development 2003

The table below shows Hayward's ability to meet the allocated regional housing need. Regional Housing Need from Table 5-45 is subtracted from Total Housing Potential from Table 5-49 to show Hayward's Potential in Excess of Regional Housing Need.

TABLE 5.50 HAYWARD'S ABILITY TO MEET REGIONAL HOUSING NEED

	Total	Very Low	Low	Moderate	Above Moderate
Total Housing Potential for Period	4,117	1,558	507	970	1,082
Regional Housing Need	2,835	625	344	834	1,032
Potential in Excess of Regional Housing Need		933	163	136	50

Source: Department of Community and Economic Development 2003

The table above shows that the City will be able to meet its projected housing needs for units affordable to moderate, low and very low income households through a combination of vacant land that is residentially-zoned and residentially-zoned land with an existing structure that could be redeveloped. The current zoning was used to calculate housing potential for each parcel. In calculating high and medium densities in Tables 5-47 and 5-48, only parcels suitable for residential development that were greater than one acre or contiguous parcels that when taken together totaled one or more acres were included.

In 1993 the City adopted a Growth Management Element that divided the City into preservation areas and change areas. Preservation areas were the existing single-family owner-occupied neighborhoods where new development was to be low or medium density and complementary

Housing

with existing development. Change areas included downtown, the Mission Boulevard corridor, the Cannery and Burbank areas, the South Hayward BART station area and the Business and Technology (Industrial) district. Appendix E shows these Change Areas (now Focus Areas).

The City has encouraged the redevelopment of downtown adjacent to the Hayward BART station by rezoning to increase densities. There have been a number of new residential developments downtown and more are being built. Initially, it was difficult to persuade developers to build to the maximum density downtown. Now that downtown development has been successful, most developers are building at or near the maximum density. Appendix E contains a map showing the current and proposed projects in the downtown.

HOUSING POLICIES AND STRATEGIES

(Please see Appendix I for a complete description of each housing program that will implement these policies and strategies).

Expand The Housing Supply

1. Encourage the provision of an adequate supply of housing units in a variety of housing types which accommodate the diverse housing needs of those who live or wish to live in the city.

1. Maintain an adequate supply of land designated and zoned for residential use at appropriate densities to meet housing needs, consistent with the objective of maintaining a balance of land uses.
2. Promote development of infill housing units within existing residential neighborhoods in a variety of housing types.
3. Encourage high-density residential development along major arterials and near major activity or transit centers.
4. Explore ways to allow expansion of existing dwellings while maintaining the integrity of neighborhoods.
5. Encourage developers to create housing units that accommodate varied household sizes and income levels.

Conserve the Housing Stock

2. Ensure the safety and habitability of the City's housing units and the quality of its residential areas.

1. Maintain and upgrade residential areas through abatement of nuisances and provision of needed public improvements.
2. Maintain and upgrade the housing stock by encouraging the rehabilitation, maintenance and upkeep of residential properties.
3. Maintain a supply of various types of rental housing for those who do not have the desire or the resources to purchase homes.
4. Continue to implement the Residential Rental Inspection Program and explore whether changes are needed to maintain a quality housing stock.

Preserve Owner-Occupied Housing

3. Encourage the development of ownership housing and assist tenants to become homeowners in order to reach a 70% owner-occupancy rate, within the parameters of Federal and State housing law.

1. Encourage homeownership opportunities through down payment and closing costs assistance and deferred, second mortgage loans; conduct first time homebuyer workshops to prepare people for homeownership; and engage in periodic outreach to Hayward renters to inform them about the availability of homeownership workshops and other forms of assistance.
2. Develop monitoring programs to assess the potential cumulative effects of these homeownership programs.

Develop Affordable Housing

4. Ensure that the City's housing stock contains an adequate number of decent and affordable units for households of all income levels.

1. Generate housing affordable to low and moderate income households through participation in federal and state housing subsidy and mortgage bond programs and in county or non-governmental programs.
2. Periodically review the City's development process system to reduce delays or impediments to the development of new housing or the acquisition and/or rehabilitation of existing housing.
3. Consider an inclusionary zoning ordinance as a means of increasing the supply of affordable housing and reducing geographic concentration.
4. Review any proposed disposition of surplus public land within the City limits to determine its suitability as a site for low-income housing.
5. Use Redevelopment Agency resources to generate affordable housing within the Redevelopment Project Area and throughout the City, consistent with State law.
6. Work with the for-profit and nonprofit development community to create affordable housing.

Support "Special Needs" Housing

5. Ensure that special needs households have a variety of housing units from which to choose and that the emergency housing needs of Hayward households are met.

1. Analyze the special housing needs of the elderly, the disabled, female-headed households, large families, farm workers and homeless persons and families as required by State law.

2. Promote emergency housing programs that prevent or relieve homelessness.
3. Promote development of permanent affordable housing units for those defined above as special needs households.

Promote Fair Housing

6. Promote equal access to housing by educating City residents about fair housing and lending laws.

1. Promote the dissemination of information to alert homeowners about predatory lending practices.
2. Work with Bay East Association of Realtors to ensure that residential real estate agents and brokers adhere to fair housing laws and regulations; and work with tenants, tenant advocates, and rental housing owners and managers to eradicate housing discrimination and to ensure that Hayward's supply of rental housing is decent, safe and sanitary.
3. Review the Residential Rent Stabilization Ordinance and identify changes if appropriate.
4. Promote training for property owners and managers to ensure that they are knowledgeable of the requirements of Federal, State and local real estate, housing discrimination, tenant protection, housing inspection and community preservation laws; and promote training of tenants in the requirements of Federal, State, and local laws so that they are aware of their rights and obligations.

Preserve Assisted Housing

7. Avoid the loss of assisted housing units and the resulting displacement of low income residents by providing funds for the acquisition of at-risk subsidized housing developments by nonprofit housing developers.

1. Monitor at-risk projects/units.
2. Assist nonprofit acquisition of at-risk projects.
3. Participate in federal, state or county initiatives to address the preserving at-risk housing.
4. Encourage owners of existing Mortgage Revenue Bond projects to refinance bonds in order to extend the term of the Regulatory Agreement.
5. Work with Alameda County Housing Authority to obtain Section 8 Vouchers for displaced tenants of at-risk projects.

Appendix I

Description of Housing Programs

This section provides a brief description of the federal, state, local governmental and private resources that are available to the City of Hayward to address housing needs. The second portion of this appendix presents policies, strategies and programs the City of Hayward will implement to address the community's housing needs.

A. HOUSING RESOURCES:

1. *Federal*

- **Community Development Block Grant (CDBG):** The City of Hayward receives an annual allocation of U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) funds. The CDBG program allows the City to use federal funds to address specific local housing and community development needs. Until FY 2003, on average, the City of Hayward received an entitlement grant of \$1,750,000 and had between \$500,000 and \$800,000 of program income generated by deferred loans for housing rehabilitation and construction. Over the past ten years, the average annual percentage of program funds spent on acquiring land and constructing or rehabilitating affordable housing has been 74%. The affordable housing includes new construction and rehabilitation of apartments, owner and renter occupied single family attached and detached homes, and mobile homes. When fair housing, landlord-tenant, and rental assistance programs are added, as well as supportive services for very low income Hayward residents, the average annual percentage of program funds expended for housing and neighborhood services was 82%. Recently, HUD increased the City's entitlement grant to \$2,130,000.
- **HOME Investment Partnerships Program (HOME):** The City of Hayward receives funding from the HOME Investment Partnership through its participation in the Alameda County HOME Consortium. HOME funds can be used to acquire, rehabilitate, finance and construct affordable housing. On average, the City of Hayward receives about \$450,000 each year. That allocation is "banked" with the Consortium until enough funds have been collected to acquire land and construct affordable housing.
- **Affordable Housing Program of the Federal Home Loan Bank Board (AHP):** The AHP provides gap financing as a subsidy to projects that provide affordable rental or ownership housing for a minimum of 15 years. These grants are competitive and a federally-chartered bank or savings and loan must be the grant applicant.
- **HUD Section 8 Rental Assistance Funds:** Section 8 is a federally funded, locally administered rental assistance program for low income families, senior citizens, and the disabled. The Alameda County Housing Authority administers the HUD Section 8 rental subsidy program for most Alameda County jurisdictions including the City of Hayward. The Housing Authority manages an allocation of approximately 1,600 vouchers for people living in Hayward.

- **HUD Section 202/811 Program Funds:** Funds are available on a competitive basis through the HUD Section 202 program for new construction of rental housing serving seniors and through the Section 811 program for housing for disabled persons.
- **Housing Opportunities for Persons with AIDS:** HUD makes funding available through the Housing Opportunities for Persons with AIDS (HOPWA) program for a variety of housing and supportive services activities for persons living with HIV and AIDS. The Alameda County Housing and Community Development (HCD) department administers the HOPWA program for Alameda County, under contract from the City of Oakland, which receives the HOPWA entitlement from HUD. HOPWA funded activities serve all Alameda County jurisdictions.
- **Supportive Housing Program (SHP):** This HUD program implements the McKinney Act and is designed to promote the development of supportive housing and services for homeless persons. SHP funds can be used for acquisition, rehabilitation, new construction, operating costs and supportive services.

2. State

- **California Department of Housing and Community Development:** The mission of HCD is to provide leadership, policies and programs to expand and preserve safe and affordable housing opportunities and promote strong communities for all Californians. HCD manages a variety of programs including:
 - **CalHome** - This program enables low and very-low income households to become or remain homeowners by providing grants to local public agencies and nonprofit developers to assist individual households through deferred-payment loans and forgivable loans to assist development projects involving multiple ownership units, including single-family subdivisions. Note: CalHome does not loan directly to individuals.
 - **Multifamily Housing Program** – This program assists with new construction, rehabilitation and preservation of permanent and transitional rental housing for lower income households by providing low-interest, deferred-payment loans. MHP funds will be provided for post-construction permanent financing only. Eligible costs include the cost of child care, after-school care and social service facilities integrally linked to the assisted housing units; real property acquisition; refinancing to retain affordable rents; necessary onsite and offsite improvements; reasonable fees and consulting costs; and capitalized reserves. Eligible funding recipients include: local public entities, for-profit and nonprofit corporations, limited equity housing cooperatives, individuals, Indian reservations and rancherias, and limited partnerships in which an eligible applicant or an affiliate of an applicant is a general partner. Applicants or their principals must have successfully developed at least one affordable housing project.
- **California Housing Finance Agency:** The California Housing Finance Agency (CHFA) provides various types of loans for the development and preservation of affordable housing. CHFA also provides loan assistance to eligible homebuyers. The Housing Enabled by Local

Partnerships (HELP) program provides affordable housing opportunities through program partnerships with local government entities consistent with local housing priorities.

- **Mortgage Revenue Bonds:** The City of Hayward may apply to the California Debt Limit Allocation Committee (CDLAC) for an allocation of mortgage bond authority to provide financing to developers of qualified rental developments.
- **Low Income Housing Tax Credits:** Affordable housing developers can apply to the State for an allocation of tax credits to finance low-income rental housing developments. The tax credits are syndicated in order to raise funds to develop affordable housing. The City supports and reviews applications for Tax Credits for the California State Tax Credit Allocation Committee.

3. *Local*

- **Low and Moderate-Income Housing Fund (Low/Mod Fund):** The City of Hayward Redevelopment Agency is authorized to use tax-increment financing to fund redevelopment projects in specific target areas. California State redevelopment law mandates that 20% of the tax-increment revenue generated by these projects must be set-aside to fund affordable housing. Until FY 2003-2004, increases in tax revenue in redevelopment project areas were anticipated to generate an annual average of approximately \$500,000 in tax-increment funds for affordable housing. Due to expansions of the Redevelopment Area, the new annual amount of tax increment funds is approximately \$950,000. These funds can be used for the acquisition, construction, and rehabilitation of all types of housing serving very low, low, and moderate-income households. Hayward has used these funds as gap financing to create affordable rental housing for very low income households and for the first time homebuyer program. Prior to FY 1998, all funds expended from the Low/Mod Fund were in support of very low income housing. Below is a table showing the amount and expected uses of RDA funds over the planning period.

TABLE I-1: Revenues and Expenditures for the Low/Mod Fund 1999-2006

	1999/2000	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006
Total Revenues*	683,030	817,142	1,109,862	1,021,114	974,366	1,000,720	1,027,864
Program Operations	102,110	136,834	170,140	180,000	165,000	170,000	175,000
1 st Time Homebuyers Down Payment Assistance	169,090	236,691	78,944	150,000	200,000	200,000	200,000
New Construction							
Moderate Income Housing	737,773	460,271	353,913	470,000			
Low Income Housing							
Very Low Income Housing	47,000				700,000	1,000,000	600,000
Total Expenditures							
Total Expenses	1,055,973	833,796	602,997	800,000	1,015,000	1,330,000	935,000
Revenue Minus Expenses	-372,943	-16,654	506,865	221,114	-90,634	-369,280	92,864

Source: Redevelopment Agency Audits 1999-2002 and Projections 2003-2006

* includes property tax increment, interest earned, and other revenue in fund

- City of Hayward Housing Authority:** In addition to the City issuing multifamily or single family mortgage bonds directly, the City can issue those bonds through its housing authority for residential projects that have set aside at least 20% of the units for very low income households. The City Housing Authority contracts with the Alameda County Housing Authority to operate the jurisdiction's share of Section 8 program.
- Publicly Owned Land:** The City of Hayward anticipates developing housing on Site Four in the Redevelopment Area during the period of this Housing Element Update.
- Mortgage Credit Certificates:** The City of Hayward participates in the Alameda County Mortgage Credit Certificates (MCC) Program. The MCC Program provides additional federal income tax relief to low and moderate-income first-time homebuyers. Due a transfer in Single Family Mortgage Bond allocation from cities and counties to the California Housing Finance Agency by California Debt Limit Advisory Committee (CDLAC), the number of MCCs available has been severely reduced. The City's share of Alameda County's allocation has decreased from approximately 100 per year to about 20 per year.
- Social Services Program:** The City of Hayward has a policy of allocating approximately \$350,000 from the City's general fund for grants to nonprofit social services agencies that

will conduct a variety of public service activities. Until FY 2003/2004, an additional \$170,000 was available to fund special social service projects. Due to the California economy's impacts on City revenues, \$350,000 is the maximum amount that will be allocated to social services programs for next several years.

4. Private

- **Community Reinvestment Act/ Banks and Savings and Loan Corporations:** The Community Reinvestment Act (CRA) requires private banks and lenders to provide financing for a variety of community-improvement projects. The City of Hayward works with a variety of private lenders to provide favorable terms for mortgages to first-time homebuyers, special financing for affordable rental projects and loans for small businesses. The CRA places a responsibility on financial institutions to address the credit needs of low-income families.

5. Enforcement

- **Community Preservation Program:** The City has eight inspectors who are responsible for resolving violations of the Community Preservation, Graffiti Abatement, Vehicle Abatement, Weed Abatement, Sign and Zoning Ordinances.
- **Residential Rental Inspection Program:** The City has four inspectors who are responsible for inspecting all residential rental units in the City on a rotating basis for compliance with the Uniform Housing Code. Units are also inspected on a complaint basis when that complaint is made by the current tenant.

B. EXPENDITURES FOR HOUSING PRODUCTION, CONSERVATION AND RELATED SERVICES 1990-2000

The following table lists the projects, number of units, type of units and type and amount of funding for the period 1990-2000.

Table I-2: EXPENDITURES FOR HOUSING PRODUCTION, CONSERVATION AND RELATED SERVICES 1990-2000

Project Name	Project Description	Total Units	Income Limit	Funding Source				
				LM Fund	HOME	CDBG	MRB	TOTAL
Allied Housing	New construction of transitional housing	28	Very Low			\$100,000		\$100,000
B St. Bungalows	New construction of ownership housing	4	Low			\$800,000		\$800,000
Community Resources for Independent Living	Housing-related services for special needs		Very Low			\$280,000		\$280,000
DCARA Deaf House	Financing for transitional shelter	6	Very Low			\$430,000		\$430,000
EC Magnolia Court	New construction of disabled rental housing	21	Very Low	\$288,000				\$288,000
Eden Council for Hope and Opportunity	Fair Housing services		Very Low			\$1,300,000		\$1,300,000
Eden Information and Referral	Housing-related services		Very Low			\$311,000		\$311,000
FESCO	Emergency Shelter	5	Very Low			\$214,000		\$214,000
Glen Berry	New Construction of affordable rental housing	50	Very Low	\$680,000	\$500,000	\$179,000		\$1,359,000
Glen Eden	New Construction of affordable rental housing	36	Very Low	\$490,000		\$129,000		\$619,000
Green Shutter	Rehabilitation of an SRO apartment complex	63	Very Low	\$650,000				\$650,000
GT Arms	Home ownership assistance	8	Moderate	\$907,000				\$907,000
Harris Court	Acquisition and rehab of affordable rental housing	24	Very Low	\$275,000	\$990,000			\$1,265,000
Human Outreach Agency	Homeless Shelter	18	Very Low			\$282,000		\$282,000
First Time Homebuyer Assistance Program	Home ownership assistance	150	Moderate	\$860,000				\$860,000
Down Payment Assistance Program	Home ownership assistance	35	Low			\$1,100,000		\$1,100,000
Housing Conservation Loan Program	Residential rehab for families and seniors	90	Low / Very Low			\$4,100,000		\$4,100,000
Minor Home Repair Program	Residential Rehab for Seniors and Disabled Owners	530	Low / Very Low			\$1,500,000		\$1,500,000
SAVE/WINGS	Transitional Housing	14	Very Low			\$370,000		\$370,000
Spring Court	Home ownership assistance	32	Moderate	\$300,000				\$300,000
Tennyson Gardens	Acquisition and rehab of affordable rental housing	96	Low		\$800,000		\$6,450,000	\$7250000
The Timbers	New construction of affordable rental housing	27	Low				\$9,500,000	\$9,500,000
Westporte Duets	New construction of affordable ownership housing	18	Low			\$360,000		\$360,000
	TOTAL	1,255		\$4,450,000	\$2,290,000	\$11,455,000	\$15,950,000	\$34,145,000

C. HOUSING PROGRAM GOALS

The law requires the City to provide a program that sets forth a five-year schedule of actions the City will undertake or intends to undertake to implement the policies and achieve the goals and objectives of the Housing Element. In order to make adequate provision for the housing needs of all economic segments of the community, the program shall do all of the following:

New Housing Development:

In accordance with Housing Element Law, the City of Hayward has a goal of developing the following number of housing units—

- 625 units for very low-income households;
- 344 units for low-income households;
- 834 units for moderate-income households;
- 1,032 units for above moderate-income households

The City of Hayward has a total of 12 acres of vacant land zoned for high-density residential development with a total housing development potential of 458 units. The City has 54 acres of vacant land zoned for medium-density residential development with a housing development potential of 627 units. The City has 132 acres of vacant land zoned for single-family residential development with a housing development potential of 753 units. The attached map identifies specific sites for residential development.

According to the ABAG needs determination, the majority of units that will need to be developed in Hayward are for moderate and above moderate income households. These needs can be served by the private sector creating new market-rate housing. There are, however 625 units of housing for very low-income households and 344 units for low-income households will need to be developed. Meeting this need will require assistance from the Federal, State, and City/Redevelopment Agency resources.

Since the majority of Hayward is built-out, urban services including public services and facilities are available throughout the City.

Quantified Objectives

It is anticipated that based on the supply of land appropriate for residential development, the activities of private developers and the activities of developers working with the City of Hayward to provide housing affordable to lower-income households that the total residential development activity will meet the ABAG Regional Housing Needs Determination with the exception of approximately 42 units of housing for above moderate income households. Residential development activity in Hayward for the period of 1999 through 2006 will include the following activities, new construction, rehabilitation and conservation. New construction projects may include the creation of new housing units by private developers and developers working with the City to create affordable housing. Residential rehabilitation projects will include the City's on-going rehabilitation programs and acquisition and rehabilitation projects conducted by private developers. Conservation programs will include the City's effort to secure

long-term affordability requirements for existing developments that have expiring affordability restrictions.

The following table presents quantified objectives, by income category, for new construction, rehabilitation and conservation.

**TABLE: I-3 QUANTIFIED OBJECTIVES
FOR THE PLANNING PERIOD 1999-2006**

Household Income	New Construction (units)	First-Time Homebuyer Assistance		Property Rehabilitation (units)	Housing Conservation (units)
		Homebuyer Workshops	Loans*		
Very Low	625	0	0	300	57
Low	344	500	0	4090**	0
Moderate	834	1600	100	0	0
Above Moderate	1032	0	0	0	0
TOTAL	2835	2100	100	4390	57

* only includes down payment assistance loans made directly by the City; does not include first mortgage loans made by the City's participating lenders

**includes repairs made as a result of the rental inspection program.

Units Needing Rehabilitation/Conservation:

Since the many of Hayward's single-family units were built between 1950 and 1960 and the majority of multifamily units were built between 1960 and 1980, housing rehabilitation is a very important program activity for Hayward. Approximately, 4,000 rental units will be brought up to code during this period due to the City's Residential Rental Inspection Program. Approximately, 400 conventional and mobile homes will receive repairs through the City's property rehabilitation programs.

Housing Units Needing Replacement:

There are few units in Hayward that are so blighted that they need to be replaced. In the past ten years, there were approximately 40 units that required demolition. When Hayward's Redevelopment Agency or Community Development Block Grant funded program demolishes low income housing, that housing unit must be replaced on a one-for-one basis with a unit of the same type (e.g. three bedroom units must be replaced with the same, although houses can be replaced by apartment units).

Preservation of Existing Affordable Units:

The City of Hayward will make every effort to preserve and extend the affordability requirements of existing multifamily developments. Whenever possible, the City will work with local nonprofit affordable housing developers to acquire subsidized housing developments at risk of converting to market rate. There are only 57 units at-risk during this planning period. Staff discussed preservation options with the owner. However, the owner told City staff that these units would need to be raised to market in 2004 and that he was not interested in selling the development.

SECTION D: POLICIES, STRATEGIES AND PROGRAMS

Please Note:

- Policies appear in UPPER CASE LETTERS; Strategies appear in *italics* and Programs appear in standard 12 point type)
- The financing under each program, identifies the revenue source(s) that may be used to fund a given program and does not represent a specific commitment of funds. Funding commitments are made by City Council through the City Budget.

I. EXPAND THE HOUSING SUPPLY

POLICY 1.0: ENCOURAGE THE PROVISION OF AN ADEQUATE SUPPLY OF HOUSING UNITS IN A VARIETY OF HOUSING TYPES WHICH ACCOMMODATE THE DIVERSE HOUSING NEEDS OF THOSE WHO LIVE OR WISH TO LIVE IN THE CITY.

Strategy 1.1: Maintain an adequate supply of land designated and zoned for residential use at appropriate densities to meet housing needs consistent with the objective of maintaining a balance of land uses.

Program 1.1.1: Ensure that there is sufficient capacity to accommodate the dwelling units needed to maintain a jobs/housing balance by evaluating the remaining housing potential in relation to the projected housing need based on population and employment forecasts.

Implementation:

- The Planning Division will implement this program by monitoring the demand for housing and the availability of vacant and underutilized land.
- If there is an insufficient amount of vacant and underutilized residentially-zoned land to support the Regional Housing Needs Determination, then the City Council will consider rezoning residential, commercial, or industrially-zoned land to appropriate residential densities.

Financing: None required

Time Frame:

- As projects are approved.
- On an annual basis, the Advance Planning Program will generate a table that shows remaining housing potential.
- During the year it is established that an insufficient amount of vacant and underutilized residentially-zoned land exists, Planning staff will prepare and present to City Council recommendations for the locations of and type(s) of rezoning needed to assure an adequate supply of land at appropriate residential densities.

Program 1.1.2: Identify opportunities for increased housing potential (land and/or densities) citywide in order to accommodate the citywide need for new dwelling units.

Implementation:

- The Planning Division and the Redevelopment Agency will implement this program by developing Area Plans that assess the feasibility of residential development throughout the city and within the Redevelopment Area.
- As plans are adopted land will be rezoned as appropriate.
- It is not known at this time what densities will be proposed for various sub-areas, except the Cannery Area, because the establishment of densities and the expected development capacity to be achieved are part of the plan development phase.

Financing: General Fund.

Time Frame:

- In 2001, the Cannery Area Design Plan was adopted.
- The South Hayward BART Area Plan is scheduled to be developed in FY 2003.
- A plan for the Mt. Eden neighborhood is scheduled to be developed in FY 2003.

Strategy 1.2: Promote development of infill housing units within existing residential neighborhoods in a variety of housing types.

Program 1.2.1: Identify sites throughout Hayward that may be appropriate for infill housing and make this information available to developers who express interest in developing residential projects.

Implementation:

- The Neighborhood and Economic Development Division and the Redevelopment Agency implemented this program by identifying potential sites on the City's map of vacant and underutilized properties. The map will be updated as potential infill sites are identified as part of the process of developing plans for Redevelopment sub-areas.
- In 2001, the Redevelopment Agency adopted a "Cannery Area Design Plan" that describes the City/Agency's plans for development in that area. The Plan contains the adopted densities, types and numbers of units for the area. At least 90 units will be restricted to occupancy by very low (36 units) and low-mod households (54 units).
- An RFP was issued to development groups to obtain a developer for the major portion of the Area.

Financing: Redevelopment funds

Time Frame:

- Vacant and underutilized sites were identified as part of the research effort for the Housing Element.
- As soon as it is completed in 2003, the Vacant and Underutilized Parcel Map will be

displayed in the City's Permit Center for review by any developer interested in residential infill projects.

- The Cannery Area Design Plan was adopted and has been available to developers since 2001.
- Unfortunately the recent downturn in the economy has impacted the ability to simultaneously carry out both the private housing development and the public facilities portions of the Design Plan. The Agency anticipates re-issuing the RFP for housing development in 2004 in coordination with the Hayward Unified School District's application to the State by the for bond funds to build a new elementary school.

Strategy 1.3: Encourage medium and high-density residential and mixed-use development along major arterials and near major activity or transit centers.

Program 1.3.1: Designate areas along major arterials and near major activity or transit centers for medium and high-density residential development. Amend Commercial zones to allow residential development above commercial uses along major arterials. In addition, encourage planned development zoning that includes mixed commercial and residential uses.

Implementation:

- The 2002 Updated General Plan designates areas along major arterials and near major activity or transit centers for medium and high-density residential development.
- By 2000, commercial zones were amended to allow residential development above commercial uses along major arterials.
- On an on-going basis, Planning Division staff inform developers looking for building sites about the zoning and development potential along major arterials and encourage planned development (PD) that implements smart growth principles.
- Since 2002, multicolored citywide zoning and land use maps have been displayed in the Permit Center for all interested parties to review.
- By the end of FY 2003, the City will place the zoning and land use maps on the City's web site so that they is available to all interested parties.

Financing: None required.

Time Frame:

- Whenever inquiries are made about areas for potential development or whether a development concept is appropriate for a given area, Planning staff will inform those inquiring about the potential for development along major arterials.
- In addition, staff will inform residential developers of the opportunity to have pre-application meetings with City development process staff to discuss concepts including planned development.
- As soon as the zoning and land use maps are on the City's web site, information regarding same will be put on the government access cable television channel and callers with zoning inquiries will be encouraged to use the website.

Program 1.3.2: As appropriate, allow reductions in parking requirements for housing developments in close proximity to major transit routes (BART and express bus lines) or major

activity centers.

Implementation:

- Continue to allow residential developments in the Downtown to have fewer parking spaces per unit than elsewhere in Hayward (1.5 per unit vs. up to 2.25 per unit) to encourage transit-oriented development.
- Consider changes in the City's off-street parking regulations for housing developments within 1/2 mile of the South Hayward BART Station to encourage transit-oriented development.

Financing: None required

Time Frame: These changes will be considered as part of the South Hayward BART Station Area Concept Plan is completed in 2004.

Strategy: 1.4: Explore ways to allow expansion of existing dwellings while maintaining the integrity of neighborhoods.

Program 1.4.1: Consider reducing rear setback requirements in existing single family neighborhoods to allow owners to build additional bedrooms and bathrooms to their homes to reduce overcrowding.

Implementation:

- Planning staff will undertake this review and make recommendations to Council when the Zoning Ordinance is revised.
- If a change in the Zoning Ordinance is adopted to allow expansion of existing dwellings, that information will be listed on the City's TV channel's scrolling bulletin board.
- Additionally, such bedroom and bathroom additions will then become an eligible activity under the City's property rehabilitation programs serving lower income households.

Financing: CDBG funds for housing rehabilitation for lower income Hayward residents.

Time Frame: The Zoning Ordinance is scheduled for revision in FY 2003.

Strategy: 1.5: Encourage developers to create residential units that accommodate varied household sizes and income levels.

Program 1.5.1: Include a mix of housing types for households at various income levels in area design plans.

Implementation:

- As the City develops area design plans a mix of housing types will be included.
- In addition, any acquisition and rehabilitation or new construction projects financed by City Housing Authority mortgage revenue bonds will contain units affordable to households at

various income levels, including households at or below 50% of area median income.

- If the City adopts an Inclusionary Ordinance, then new residential development will provide for the range of income groups specified for various development types.

Financing: Redevelopment Low and Moderate-income Housing Fund and Mortgage Revenue Bonds and Low Income Tax Credits

Time Frame: As plans are developed. For example, the Cannery Area Design Plan was developed in FY2001 and the South Hayward BART Area Concept Plan will be completed in 2004. See Strategy 4.3 in regard to the Inclusionary Ordinance.

2. CONSERVE THE HOUSING STOCK

POLICY 2.0 ENSURE THE SAFETY AND HABITABILITY OF THE CITY'S HOUSING UNITS AND THE QUALITY OF ITS RESIDENTIAL AREAS.

Strategy 2.1: Maintain and upgrade residential areas through abatement of nuisances and provision of needed public improvements.

Program 2.1.1 Continue to implement the City's Community Preservation (CP) Ordinance and revise it to make the Ordinance more comprehensive and easier to enforce. Continue to enforce the Building, Housing, Mechanical, Electrical, Plumbing and Fire Codes to ensure decent, safe and sanitary housing.

Implementation:

- In 2002, the CP Ordinance was revised to be more comprehensive and more specific for improved enforcement.
- In 2003, an Administrative Citations Ordinance was adopted by the City. This ordinance makes violations of City Codes subject to an administrative citations process that is designed to speed and improve enforcement efforts.
- Community Preservation enforces the CP Ordinance, the Sign Ordinance and the Zoning Ordinance. The Building Division enforce the Uniform Building, Housing, Mechanical, Electrical and Plumbing Codes and the Fire Code.

Financing: General Fund

Time Frame:

- A revised CP Ordinance was adopted in 2002.
- Code enforcement continues on an ongoing basis.

Strategy 2.2: Maintain and upgrade the housing stock by encouraging the rehabilitation, maintenance and upkeep of residential properties. Maintain a supply of various types of rental housing for those who do not have the desire or the resources to purchase homes.

Program 2.2.1: Operate property rehabilitation programs that assist low-income households.

Implementation:

- Programs operated by the City include, but are not limited to: minor home repairs, accessibility repairs, and substantial rehabilitation. The City spends more than \$800,000 each year in CDBG funds on property rehabilitation projects.
- Eligible housing stock includes conventional and mobile homes and multifamily housing. Please note: The City of Hayward is one of the few jurisdictions that provides deferred loans to mobile home owners to bring their properties up to code and make general property improvements.
- Eligible owners include: Seniors, persons with disabilities and low-income families and investor-owners of rental property that houses lower income households.

Financing: Community Development Block Grant, HOME Investment Partnership funds, Low/ Mod Fund and Mortgage Revenue Bond monies and other federal, state and private funds as available.

Time Frame:

- CDBG funds are available on an annual basis.
- The City uses other funding (such as Mortgage Revenue Bonds) in conjunction with specific projects.

Strategy 2.3: Continue to implement the Residential Rental Inspection Program and explore whether changes are needed to maintain a quality housing stock.

Program 2.3.1: To ensure habitability of rental units, continue to inspect residential buildings and require correction of deficiencies. Revise the Residential Inspection Ordinance to improve habitability and compliance.

Implementation and Time Frame:

- Inspection of residential buildings by City Rental Housing Inspection staff and correction of deficiencies is mandatory.
- The Residential Rental Inspection program was revised in 2003 to focus on the areas that have the highest percentage of rental housing. The turn-around time has been shortened from 5-7 years to 3.5 years for these areas. In the non-focus areas, there will be “spot checks” approximately 10% of the housing will be inspected on a regular basis every 3.5 years.
- Individual units will be inspected as complaints are received.

Financing: General Fund

3. SUPPORT OWNER-OCCUPIED HOUSING

POLICY 3.0: ENCOURAGE THE DEVELOPMENT OF OWNERSHIP HOUSING AND ASSIST TENANTS TO BECOME HOMEOWNERS IN ORDER TO REACH A 70% OWNER-OCCUPANCY RATE, WITHIN THE PARAMETERS OF FEDERAL AND STATE HOUSING LAW

Strategy 3.1. Provide down payment and closing costs assistance loans in order to encourage homeownership opportunities. Conduct first time homebuyer workshops to prepare people for homeownership. Engage in periodic outreach to Hayward renters to inform them about the availability of homeownership workshops and other forms of assistance

Program 3.1.1. Continue to operate the City's first time homebuyer program and change loan amounts and terms in accordance with changes in the housing market to better assist eligible home buyers.

Implementation:

- The Homeownership Coordinator conducts the following program activities:
 - Conduct at least 18 first time home buyer workshops each year, including four in Spanish.
 - Coordinate 12 Hayward Lender's Round Table, networking with local real estate professionals, title companies and lenders.
 - Make presentations to community groups about the Hayward First-Time Homebuyers Program.
 - Counsel potential homebuyers about credit and other issues.
 - Loans terms are:
 - Up to \$20,000 may be borrowed for down payment and closing cost assistance;
 - Term is for 30 years;
 - Interest rate is set at the Federal Home Loan Bank 11th District cost of funds which is currently 2.21%
 - Maximum sales price is \$330,000
 - Periodically, as sales prices change, the City Manager authorizes changes in the maximum sales price and changes in the loan amount .

Financing: Low and Moderate Housing Fund

Time Frame: These activities take place monthly throughout the year.

Strategy 3.2: Develop monitoring programs to assess the potential cumulative effects of these homeownership programs.

Program 3.2.1: Continue to monitor the cumulative effects of homeownership programs on the overall housing stock in Hayward.

Implementation: Advance Planning staff monitor these impacts as part of the General Plan annual review.

Financing: None Required

Time Frame: Continuing effort

4. DEVELOP AFFORDABLE HOUSING

POLICY 4.0. ENSURE THAT THE CITY'S HOUSING STOCK CONTAINS AN ADEQUATE NUMBER OF DECENT AND AFFORDABLE UNITS FOR HOUSEHOLDS OF ALL INCOME LEVELS.

Strategy 4.1: Generate housing affordable to low and moderate-income households through participation in federal and state housing subsidy and mortgage bond programs and in county or non-governmental programs.

Program 4.1.1: To generate new affordable housing for very low, low and moderate-income Hayward residents, the City will continue to utilize the Tax-Exempt Multifamily Mortgage Revenue Bond program, Low Income Tax Credits and all other sources of federal, state and local financing to create affordable housing.

Implementation:

- The Neighborhood and Economic Development Division and the Redevelopment Agency assist residential developers in the acquisition, rehabilitation or new construction of affordable housing by --
 - providing them with information and materials needed to compete successfully for state and federal funds;
 - providing them with information about financial resources available;
 - by making “gap financing” loans.
- If a source of funds for affordable housing requires that the City, rather than the developer, apply for funds, then the City will make application to the appropriate funding source.
- The City has a Housing Authority through which it issues tax-exempt multifamily mortgage bonds to construct new or acquire and rehabilitate rental housing. This form of financing is available to developer(s) whose project is located in an appropriate residential zone and meets the City’s design guidelines.
- The City’s primary partner in the development of affordable housing has been Eden Housing, Incorporated (EHI). EHI is a Hayward-based nonprofit developer and property manager of permanently affordable housing developments. Over that time, EHI has developed more than 1,250 units in 23 developments throughout Hayward.
- In the FY 2003 budget, the City has provided CDBG pre-development funds to EHI to develop a 50-75 unit affordable housing project for lower income families.

Financing:

- Federal, state and local resources, including Community Development Block Grant funds,

HOME Investment Partnership funds, Low/Moderate Fund monies and loans from private sector lenders.

- Although many sources of funds are listed above, the cost to develop a 50 unit project can be \$15 million or more. This generally requires the use of all available public and private funding sources. The “financing gap” for such projects can be between \$2 - \$5 million in order to permanently reduce rents so that they are affordable to very low and extremely low income households.
- JA: HCD WANTS US TO STATE THE EXPECTED NUMBERS OF NEW UNITS THAT COULD BE DEVELOPED THROUGH 2006. I think the maximum is probably 150 units, assuming that there are 2-3 affordable developments underway. We have \$1.2m in HOME funds, with about 600k per year and about 700k in L/Mod. It is also possible to obtain long term low interest CHFA loans of about \$2m per year for specific projects.

Time Frame: Continuing effort as projects are proposed.

Program 4.1.2. To provide rent subsidies to very low-income households who would otherwise be unable to afford housing, the City will continue to contract with the Alameda County Housing Authority to operate the Section 8 program in Hayward.

Implementation: Alameda County Public Housing Authority staff will implement this program.

Financing: Federal Section 8 Program

Time Frame: Continuing effort

Strategy 4.2: Periodically review the City’s development process system to reduce delays or impediments to the development of new housing or the acquisition and/or rehabilitation of existing housing.

Program 4.2.1. Continue to review and improve the City’s development process system.

Implementation: The City Manager, Fire Department, Public Works and the Planning and Building Divisions of the Community and Economic Development Department evaluate the City’s development process to improve its efficiency and effectiveness.

Financing: None Required

Time Frame: Meetings are conducted quarterly.

Strategy 4.3. Consider an inclusionary zoning ordinance as a means of increasing the supply of affordable housing and reducing geographic concentration.

Program 4.3.1. Prepare an inclusionary zoning ordinance that requires that any new residential development (single family or multifamily) provide a minimum number of moderate, low and

very low-income units. In-lieu fees may be assessed to meet the developer's obligation.

Implementation: Neighborhood and Economic Development Division and the City Attorney's Office will prepare the ordinance and implement this program.

Financing: None Required

Time Frame:

- In April 2003, a draft Inclusionary Ordinance was discussed in Worksession with City Council.
- In June 2003, City Council will conduct a public hearing and vote whether to adopt the proposed ordinance.
- If adopted by City Council, implementation will take place 30 days after the date of final adoption.

Strategy 4.4. Review any proposed disposition of surplus public land within the City limits to determine its suitability as a site for low-income housing.

Program 4.4.1: To increase the number of sites available for low-income housing development, the City will continue to review any proposed disposition of surplus public land within the City limits. Where consistent with adopted land use plans and standards, make proposals for assisted housing the highest priority (e.g. parks have highest priority in under-served areas).

Implementation and time frame:

- Neighborhood and Economic Development Division review the City's surplus property list on a quarterly basis to identify sites.
- In addition, the City's Real Property Associate (responsible for surplus property) has been requested to identify sites for affordable housing when a site is entered on the list.
- The Community and Economic Development Department is on the list of other public agencies with property located in Hayward in order to receive their notices of surplus property. These notices are reviewed by the Neighborhood and Economic Development Division to identify available sites.

Financing: None needed.

Strategy 4.5. Use Redevelopment Agency resources to generate affordable housing within the Redevelopment Project Area and throughout the City, consistent with State law.

Program 4.5.1: Low and Moderate-Income Housing Funds will be used to leverage additional funds for the development of housing for very low, low, and moderate-income Hayward residents

Implementation: Neighborhood and Economic Development Division and the Redevelopment Agency will implement this program in accordance with State Redevelopment

Law production and replacement requirements.

Financing: Low and Moderate-Income Housing Fund

Time Frame: Continuing effort as projects are developed.

Program 4.5.2: Spend Low/Mod Fund monies to assist moderate, low and very low income households in the same ratio as units for those households were allocated through the Regional Housing Needs Determination. Agency funds will be used to provide direct or indirect financial assistance to affordable housing developments, both within and outside the Redevelopment Project Area.

Implementation:

- Neighborhood and Economic Development will monitor the Low/Mod Fund to ensure that expenditures from this fund during a ten year period serve the proportion of very low, low and moderate-income households as Hayward's allocation under the Regional Housing Needs Determination.
- The first priority for the use of Low/Mod Fund monies is in the Redevelopment Area, particularly for "gap financing" of affordable housing on Site 4 and in the Cannery Area.

Financing: Low and Moderate-Income Housing Fund

Time Frame:

- Continuing effort as projects are proposed.
- Expenditures from the Low and Moderate-Income Housing Fund will continue to be reviewed annually to determine the percentage of funds spent on each income group and plan adjustments as necessary.

5. SUPPORT "SPECIAL NEEDS" HOUSING

POLICY 5.0 ENSURE THAT SPECIAL NEEDS HOUSEHOLDS HAVE A VARIETY OF HOUSING UNITS FROM WHICH TO CHOOSE AND THAT THE EMERGENCY HOUSING NEEDS OF HAYWARD HOUSEHOLDS ARE MET.

Strategy 5.1 Analyze the special housing needs of the elderly, the disabled, female headed households, large families, and homeless persons and families as required by State law.

Program 5.1.1: Review 2000 Census data to determine the types of special needs of Hayward residents.

Implementation and Time Frame:

- Neighborhood and Economic Development staff have analyzed the 2000 Census data and identified special housing needs.
- Neighborhood and Economic Development staff will work with developers of affordable housing to ensure, in as much as possible, that the special needs of these groups will be met

in residential development projects as they are being developed.

- In FY 2003, this data will be discussed with CRIL, homeless shelters and other agencies that serve special needs households to determine whether their programs meet the identified needs and whether any program changes are needed.

Financing: None Required

Strategy 5.2 Promote emergency housing programs that prevent or relieve homelessness.

Program 5.2.1: Utilize available resources to support emergency shelters, transitional housing and support services which directly benefit homeless households.

Implementation:

- Every year, Neighborhood and Economic Development staff provide information to local nonprofit organizations that serve the homeless, informing them about the availability of and process for obtaining grants from CDBG and Social Services funds.
- Once funds are allocated, staff monitors programs to ensure that those in need are being served appropriately.
- The City participates in the Alameda County Continuum of Care in support of programs that relieve homelessness.
- In FY 2003, Neighborhood and Economic Development Division participated in the Alameda County homeless count.
- Annually, the City utilizes its CDBG and General Fund monies to fund services in two homeless shelters, one transitional housing development, one motel voucher program, two food programs for the homeless, one program providing court support for survivors of domestic violence and one information and referral telephone line for homeless and low income households.

Financing: General Revenue funds, CDBG, and Federal and State Supportive Housing Programs.

Time Frame: Continually

Program 5.2.2: To prevent homelessness, the City will continue to assist programs that assist households to retain their housing (e.g. landlord-tenant mediation services and short-term rent/mortgage assistance programs).

Implementation:

- The City funds and provides technical assistance to the following homelessness prevention programs:
 - ECHO's rental assistance and landlord tenant programs;
 - CRIL's housing counseling for people with disabilities; and
 - Eden I&R's CHAIN Line (for affordable housing information).

Financing: CDBG Funds

Time Frame: Annually

Strategy 5.3 Promote the development of permanent affordable housing units for those defined as special needs households.

Program 5.3.1: The City will enforce State and Federal Laws including the Uniform Building and Housing Codes.

Implementation and Time Frame:

- As projects are developed, Building Division Plan Check staff review plans to ensure that Title 24 requirements are met.
- On a continuous basis, Rental Housing Inspectors inspect rental units for code violations and require repairs as needed.

Financing: None Required

Program 5.3.2: Assist persons with disabilities to locate suitable units.

Implementation:

- On an annual basis, the City funds CRIL's housing counseling staff. This staff assists people with disabilities to locate suitable units. CRIL is well-known throughout the area and advertises its services to people with disabilities.
- The City also funds Eden I&R's CHAIN Line which provides information to tenants and case managers about low rent apartments that may be available and lobbies landlords to accept tenants with disabilities.

Financing: CDBG Funds

Time Frame: Continuing effort

Program 5.3.3: Encourage developers to build three bedroom units in multifamily rental projects and four and five bedrooms in single family residential projects.

Implementation:

- Demand in the housing market is requiring developers of single family homes to build four and five bedroom homes in order to be competitive.
- Developers of affordable rental projects that obtain assistance from the City will be required to build developments where at least 40% of the units are three bedrooms. It is the experience of local nonprofit housing developers that there is great demand for smaller units and little demand for four bedroom units (for families of seven or more); the four bedroom units also reduce the number of units on the site.

Financing: No additional financing required.

Time Frame: Whenever affordable developments are planned.

Program 5.3.4: Continue to fund residential accessibility repairs and improvements for tenants and homeowners with disabilities.

Implementation:

- Neighborhood and Economic Development staff continue to operate residential rehabilitation programs on an annual basis.
- City staff coordinate with CRIL regarding this program; CRIL conducts outreach activities in support of the program and refers people with disabilities to the accessibility program.
- At least five properties will receive accessibility repairs annually.

Financing: CDBG Funds

Time Frame: Continuing effort

6. PROMOTE FAIR HOUSING

POLICY 6.0: PROMOTE EQUAL ACCESS TO HOUSING BY EDUCATING CITY RESIDENTS ABOUT FAIR HOUSING AND LENDING LAWS.

Strategy 6.1. Promote the dissemination of information to alert homeowners about predatory lending practices.

Program 6.1.1 Encourage non-profit organizations that provide fair housing services and senior citizen programs to disseminate information about predatory lending practices.

Implementation:

- The City's Homeownership Coordinator discusses predatory lending practices with participants in First Time Homebuyer Workshops.
- The City's Homeownership Coordinator works with realtors and lenders in the Hayward Lender's Roundtable to ensure that none of the participants engage in predatory lending activities. In order to participate in Hayward's First Time Homebuyers' Program, lenders and title companies must commit to charging no more than one point in fees.

Financing: CDBG

Time Frame: Continuing effort

Strategy 6.2. Work with Bay East Association of Realtors and others to ensure that residential real estate agents and brokers adhere to fair housing laws and regulations. Work with tenants, tenant advocates, and rental housing owners and managers to eradicate housing discrimination and to ensure that Hayward's supply of rental housing is decent, safe and sanitary.

Program 6.2.1 To prevent or remedy illegal housing discrimination, the City will continue to fund a fair housing activities.

Implementation:

- The City funds ECHO to provide fair housing services, investigate complaints, identify housing discrimination practices and develop effective techniques to eliminate housing discrimination.
- The City also funds ECHO to conduct an annual fair housing audit of at least 20 rental properties in Hayward.

Financing: CDBG Funds

Time Frame: Continuing effort

Strategy 6.3 Review the Residential Rent Stabilization Ordinance and other City Ordinances to identify changes, as appropriate.

Program 6.3.1. Review City ordinances pertaining to rental housing and recommend changes as appropriate.

Implementation:

- Continue to conduct a rental housing work group with tenant, landlord, nonprofit housing developer representatives, and City staff to make recommendations on ordinance changes.
- In FY 2003, the City Council adopted an updated Residential Rent Stabilization Ordinance.

Financing: None Required

Time Frame: Throughout 2002 various ordinances will be reviewed and changes forwarded to the City Council for adoption.

Strategy 6.4 Promote training for property owners and managers to ensure that they are knowledgeable of the requirements of Federal, State and local real estate, housing discrimination, tenant protection, housing inspection and community preservation laws. Promote training of tenants in the requirements of Federal, State, and local laws so that they are aware of their rights and obligations.

Program 6.4.1: Educate owners, managers and tenants about fair housing.

Implementation: The City will contract with non-profit organizations that provide fair

housing services to promote and conduct education programs, produce educational materials in at least four of the languages spoken by Hayward residents and conduct counseling sessions with Hayward residents on fair housing issues.

Financing: CDBG

Time Frame: Continuing effort. CDBG funds are allocated annually

Program 6.4.2: Participate with the Rental Housing Owners Association (RHO) in the implementation of the Multifamily Management Assistance Program (MMAP) for property managers in Hayward.

Implementation: City staff will make presentations and conduct sessions of the MMAP that focus on City activities that affect rental housing. The MMAP improves the knowledge and skills of property managers by teaching them federal, state, and local housing regulations, effective property management skills, tenant screening techniques, and introducing them to the Neighborhood Watch and other programs operated by the City of Hayward.

Financing: None Required

Time Frame: Continuing effort; each time the course is taught.

7. PRESERVE ASSISTED HOUSING

POLICY 7.0 AVOID THE LOSS OF ASSISTED HOUSING UNITS AND THE RESULTING DISPLACEMENT OF LOW INCOME RESIDENTS BY PROVIDING FUNDS TO NON-PROFIT DEVELOPERS TO BE USED FOR THE ACQUISITION OF AT-RISK SUBSIDIZED HOUSING DEVELOPMENTS AT-RISK OF CONVERTING TO MARKET RATE.

Strategy 7.1 Monitor at-risk projects/units.

Program 7.1.1. Identify and maintain an updated inventory of at-risk projects

Implementation: Neighborhood and Economic Development staff will use existing databases (e.g., HUD, State of California Department of Housing and Community Development, California Housing Partnership Corporation, Alameda County), as well as other sources that provide information about the affordability restrictions on subsidized residential developments at-risk of converting to market rate.

Financing: None Required

Time Frame: Annually

Program 7.1.2: Ensure that residential developments with affordability restrictions that have been preserved through government action are well-managed, maintained and operated in accordance with local, state and federal regulations.

Implementation: Neighborhood and Economic Development staff will monitor rent-restricted residential developments that have been acquired by non-profit or for-profit entities to ensure that commitments to tenants have been kept and properties are well managed.

Financing: Affordable Housing (Mortgage Revenue Bond) Fund

Time Frame: Continuing effort; each project will be monitored annually

Strategy 7.2 Whenever feasible, assist non-profit housing developers with the acquisition of rent-restricted residential developments that are at-risk of conversion to market-rate rents.

Program 7.2.1: Encourage the sale or transfer of rent-restricted residential developments to non-profit organizations who will agree to maintain the affordability restrictions for the life of the project.

Implementation:

1. Neighborhood and Economic Development staff will monitor and respond to any Notice of Intent or Plan of Action that may be filed with the U.S. Department of Housing and Urban Development for existing rent-restricted developments and recommend possible action to preserve and extend affordability restrictions; actively participate in the plan of action process;
2. When feasible, finance the acquisition of existing rent-restricted developments through the issuance of mortgage revenue bonds.

Financing: All available Federal, State and local funds and private sector loans and grants

Time Frame: Contingent on the owners of rent-restricted developments choosing to opt out of maintaining affordability requirements at the end of the rent-restriction term. Continuing effort beginning with discussions with owners approximately one year prior to rent restrictions terminating, through the process where owners file Notices of Intent or Plans of Action

Strategy 7.3 Participate in federal, state or county initiatives to address the preservation of rent-restricted developments at-risk of converting to market rate.

Program 7.3.1: Participate in federal, state or local initiatives and programs designed to preserve affordable housing.

Implementation: As initiatives and programs are proposed, Neighborhood and Economic Development staff will assess their feasibility for preserving rent-restricted housing

developments at risk of conversion to market rate.

Financing: None Required

Time Frame: Continuing effort as legislation is proposed

Strategy 7.4 Extend the duration of rent-restrictions for existing affordable residential developments.

Program 7.4.1: Encourage owners of existing rent-restricted residential developments to preserve and extend the duration of rent restrictions.

Implementation: As regulatory agreements expire, Neighborhood and Economic Development staff will encourage the owners of existing rent-restricted projects that were financed with Mortgage Revenue Bonds to refinance the bonds through the City's Mortgage Revenue Bond program in order to extend the term of rent restrictions.

Financing: Mortgage Revenue Bonds (MRBs) and other available funds. Note: In addition to MRBs, other subsidies may need to be provided, since most of the existing projects were developed prior to the current affordability requirement to serve very low-income households.

Time Frame: Continuing effort as rent restrictions expire. City staff will meet with owners at least one year prior to the expiration of restrictions.

Strategy 7.5 Work with Alameda County Housing Authority to obtain Section 8 Vouchers for tenants who are displaced from rent-restricted residential developments that are at-risk of converting to market rate.

Policy 7.5.1. Working in conjunction with Alameda County Public Housing Authority, establish procedures to provide Section 8 Vouchers to tenants displaced from projects converting to market rate rents and to residents of projects that are being preserved for long-term affordability.

Implementation: Neighborhood and Economic Development staff will encourage ACPHA staff to make Section 8 Vouchers available to these populations.

Financing: Federal Section 8 Program

Time Frame: Continuing effort; as projects are converted.